



THE WHITE ENSIGN ASSOCIATION LIMITED

REPORT OF THE COUNCIL OF MANAGEMENT & AUDITED ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2021

Charity Registered No 206787

Company Registered No 00606887

Registered Office

HMS BELFAST
Tooley Street
London SE1 2JH

Bankers

National Westminster Bank plc
216 Bishopsgate
London EC2M 4QB

Auditors

Appleby & Wood
40 The Lock Building
72 High Street
London
E15 2QB

Solicitors

Ashurst LLP
Broadwalk House
5 Appold Street
London EC2A 2HA

A Limited Company, Registered in England and Wales, incorporated on 24th June 1958

Website: www.whitcensign.co.uk

**"THE EXISTENCE OF THIS ASSOCIATION, RECOMMENDED BY THE ADMIRALTY BOARD, IS
A REFLECTION OF THE GOODWILL THE CITY HAS ALWAYS FELT FOR THE ROYAL NAVY"**

THE WHITE ENSIGN ASSOCIATION LIMITED

REPORT OF THE WHITE ENSIGN ASSOCIATION COUNCIL OF MANAGEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

INTRODUCTION

1. The Council of Management presents herewith the Annual Report and Audited Financial Statements of The White Ensign Association Limited for the year ended 31 December 2021. The Report is set out in the format required by SORP 2019 and is designed to provide salient information on the Charity, its activities and its plans for the future.

REFERENCE AND ADMINISTRATIVE INFORMATION

Title & Registration

2. The registered name and number of the Charity is 'THE WHITE ENSIGN ASSOCIATION LIMITED' No: **206787**, (hereafter referred to as 'WEA' or 'the Association').

Registered Office

3. The registered office of the Association is HMS BELFAST, Tooley Street, London SE1 2JH.

The Trustees

4. The registered Trustees serving continuously between the periods 1 January 2020 to 31 December 2021 were as follows:

Captain L H L Batchelor RNR*
Mr S A Black*
Mr E W Byers*
The Lord Carlile of Berriew CBE QC*: **Chairman***
Lieutenant General E G M Davis CB CBE
Mrs H Deeble CBE
Commodore R W Dorey RFA
Captain A P Gosling RNR
Admiral Sir Philip Jones GCB DL
Commodore I Kennedy CBE QHNS
Ms S Murray OBE
Mr James Saunders-Watson DL*
Admiral Sir Mark Stanhope GCB OBE DL*: **Vice Chairman***
Admiral Sir George Michael ZAMBELLAS GCB DSC DL*

* Members of the Finance & General Purposes Committee

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President and Vice Presidents

5. Admiral of the Fleet The Lord Boyce KG GCB OBE DL was invited to take up the position of President of the Association at the AGM in March, and graciously accepted the role for a 5 year tenure of office. The following senior former members of the Council have been appointed Vice Presidents of the Association since relinquishing their duties as members of the Council and are still serving as such:

Mr J D Andrewes MA FCA
Sir Michael Bett CBE MA
Admiral Sir Jonathon Band GCB DL
Mr C J Cazalet MA FCA
Vice Admiral Sir Adrian Johns KCB CBE DL
Admiral Sir Michael Layard KCB CBE
Sir John Parker GBE
Sir Patrick Sergeant
Admiral Sir Jock Slater GCB LVO DL
Mr R J Taylor

Royal Patron

6. HRH The Prince of Wales is the Patron of The White Ensign Association, which was founded by his late great-uncle, Admiral of the Fleet Earl Mountbatten of Burma.

The Chief Executive and Staff

7. All permanent members of staff, with the exception of the Support Manager, have served in the Armed Forces and all are based in HMS BELFAST. The staff conduct a programme of visits to ships, submarines, naval shore establishments, naval air squadrons and Royal Marines units to fulfil various lecture programmes and undertake one-to-one counselling and casework.

8. The Chief Executive is Captain J P Lavery MVO Royal Navy, appointed by the Council with effect from 17th January 2012. The Chief Executive, who is also the Regional Manager for London, the West of England and Wales, is supported by a Director of Employment and Finance, the Regional Manager South and East England, who is also the Company Secretary, and the Regional Manager South West and Scotland. Day to day administration and support of the charity's activity is carried out by the Administration & Support Manager.

Remuneration Policy Setting

9. Staff Remuneration is considered on an annual basis by the Nominations and Remuneration Committee (NRC) who consider proposals from the Chief Executive covering salary, travel allowances and any special bonus. The final award is then ratified by the Council of Management.

The Advisers

10. A panel of professional advisers has been formed to provide advice and guidance to clients of the Association. The names and details of the advisers are published in the charity's Annual Review and are listed on the Association's web site.

THE WHITE ENSIGN ASSOCIATION LIMITED

STRUCTURE, GOVERNANCE & MANAGEMENT

Constitution

11. The Association is a registered charity and a company limited by guarantee. It was incorporated on 24 June 1958 and is governed by its Memorandum and Articles of Association.

12. The Council is the Governing Body of the Association and consists of the elected trustees (see paragraph 4). It meets formally twice a year and additionally as required.

The Finance & General Purposes Committee (F&GPC)

13. The Council has delegated day to day oversight of the Association's operations to the F&GPC, which meets twice a year and additionally as necessary.

Trustee Policy

14. The selection, induction, reviews and monitoring of trustees is overseen by the NRC as part of its remit from the Council and is charged with the nomination of suitable candidates to maintain the necessary breadth of expertise on the Council. A training programme, including a comprehensive presentation and staff briefing, has been prepared for trustee induction. During the period of this report the Association saw the retirement of one member of the Council of Management and the arrival of three new trustees.

Risk Assessment and Compliance

15. During the year, the Council (through the F&GPC) has reviewed the full range of risks to which the Association could be exposed and the necessary management action to mitigate them. The Association has a Risk Management Plan, which integrates the ongoing assessment of risks into the day to day management processes of the company. A summary of the main risks associated with the Charity's activities are contained in the table below:

Risk Description	Mitigation and Notes
<u>Product.</u> Not meeting the needs of customers	Prepare and review an annual Strategic Plan to shape and adapt business output to reflect and anticipate market requirement. Continually improve, update and augment guidance and advice available.
<u>Finance.</u> Significant loss of income	Regular monitoring by the Finance and General Purposes Committee. Consideration of fresh initiatives to increase income and control expenditure. Maintenance of long-term investment funding at levels to meet a projected future running costs.
<u>Regulatory Compliance.</u> Damage to reputation and risk of FCA investigation and potential closure.	Company business procedures to reflect legislative and regulatory changes relating to Company Law, Charity Commission regulations, Bribery Act 2010 and FCA guidelines. Staff to guard against inadvertent passing of financial advice or opinion that does not reflect the considered view of the Association. GDPR compliance strictly enforced and closely monitored.

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<u>Business Continuity.</u> Inability to conduct business.	Business Continuity Plan to be reviewed regularly. Regular review of staff availability to ensure maintenance of national coverage at reasonable levels.
<u>Relevance.</u> Resulting in a reduction in demand for the Association's services.	Staff to monitor MOD activity and charity sector networks for indications of strategic market changes and the entry of newcomers. Maintain presence and visibility at all appropriate Service Charity and MOD events

Public Benefit

16. The Council has referred to the advice contained in the Charity Commissioner's general guidance on public benefit when reviewing the Association's aims and objectives and in planning future activities. The Association's charitable services, which are provided free, are available to all who have served in the Royal Navy and Royal Marines, the Royal Fleet Auxiliary, the QARNNS or the Reserve Forces from the time they join the Service until they die. The Association's services may also be accessed by close dependants and the WEA will always endeavour to advise and assist people who approach the charity for help, but who may not have a Royal Navy or Royal Marines background.

OBJECTIVES & ACTIVITIES

Objects

17. The principal objects of the Association are to assist and promote the interests of those who are serving or have at any time served in the Royal Navy, the Royal Marines, the Royal Naval or Royal Marines Reserves, in the former Women's Royal Naval Service, Queen Alexandra's Royal Naval Nursing Service or the Royal Fleet Auxiliary, in such ways as shall from time to time be thought fit, and in particular and without prejudice to the generality of the foregoing by providing:

- a. General guidance in connection with investments, house purchase, insurance (including educational costs and school fees), pensions and commutation.
- b. Appropriate advice and guidance, through employment services, to deliver enduring support to both individuals preparing for, and to those seeking, civilian employment, including the establishment of small businesses.
- c. General information and advice to those leaving the Service and seeking to settle in civilian life.
- d. Information and advice on general personal administrative matters in suitable cases appropriate to the position and facilities of the Association.

18. It should be noted that the Association does not make grants but facilitates and supports applications to other appropriate charities or organisations when, in the course of its welfare work, it comes across such cases of need.

Summary of Policies

19. The Association's policies have been designed to achieve these objects by providing the basic infrastructure to enable all those in the Naval Services (or who have served in them) seeking

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assistance with civilian employment, resettlement, investment, financial planning and general personal administration matters to obtain appropriate information, guidance, contacts and opportunities through:

- a. A comprehensive counselling service, with a programme of regular visits to all major Royal Navy bases, shore establishments and Royal Marines units. Visits are also made to air squadrons and ships and submarines of the Fleet as requested.
- b. Personal interviews in HMS BELFAST. Home visits are made in appropriate cases, for example to widows, wounded or injured personnel and to the disabled.
- c. Services for the provision of lectures on transition, resettlement and financial awareness for members of the Royal Navy.
- d. The creation of opportunities for senior directors and managers from commerce and industry to visit RN and RM ships and establishments to acquaint them at first hand with the skills and qualities of Service personnel.
- e. Other activities, including arranging meetings for clients with the Association's panel of professional advisors, facilitating networking connections, presenting briefings and organising events.

Membership Schemes

20. The Association had two categories of membership:

Company Member - Annual Fee: £500 + VAT

Individual (Life) Membership – Offered to those who make either a significant financial or personal contribution

21. The Association had 76 subscribing company members and 145 individual members on 31 December 2021.

ACHIEVEMENTS & PERFORMANCE

Overview

22. During the last 12 months the Association has matched its activity to the emergence of the Royal Navy and its client base, from the social distancing behaviours and other restrictions imposed or adopted as part of the national response to the COVID pandemic. Digital consultations and video messaging have slowly been replaced by on site briefings and interviews although the phenomenon of the "zoom" interview remains a popular way of dealing with clients' concerns and requests for assistance when the visits programme is not conducive to a relatively swift meeting opportunity. The introduction of a new case management system towards the end of the summer and the refreshing of the Association's website has invigorated our client's digital experience and allowed the staff swifter access to records and data.

23. Engagement in the wider armed forces charitable sector continues to be an essential part of the WEA's business and we are ever ready to adopt a collaborative approach to service or answer a perceived need within the Royal Navy community where we can. This is particularly prevalent in regard of the most vulnerable, and we have signed an MoU with the RMA to ensure a joint approach

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to assisting those service personnel being discharged early on medical grounds. We have also initiated a new project for the provision of advocacy and specialist advice for those sailors and veterans pursuing compensation claims through the Armed Forces Compensation and War Pension Schemes which is wholly funded by the RNRMC. Elsewhere we have also successfully held an event in Leith for our supporters and partners in Scotland and participated in a much lauded, joint Fundraising dinner with the RNRMC in the Painted Hall at ORNC Greenwich. As one of the few external bodies invited by the MOD to assist in pensions development and communication the charity continues to be a contributor to the refinement of policy post the McCleod judgment and a key conduit of communication to the affected community.

Work Summary

24. Work over the year comprised (201/20¹, in parenthesis for comparison):

Advice, Assistance and Information: Support was offered to 589 (1048) individuals who registered for some form of assistance during the year.

Interviews: 77 (193) face to face interviews were conducted.

Visits: 41 (150) visits to ships, units, establishments and individuals were carried out.

Lectures: 44 (126) lectures were provided to audiences totalling 401 (3610) people – financial awareness 24, transition preparation 237 and other topics 140.

25. The COVID pandemic continues to effect the numbers of individuals the charity has interacted with over the past 12 months. Much of the decline relates directly to the inability to carryout unit level briefings for much of 2021 with such activity only really starting to be re-established post September. Individual client approaches have been lower than previous years but can be attributed to the hugely reduced physical presence of the charity within establishments plus the pause in transition preparations experienced by many in the naval service who took advantage of the extensions of service offered during the pandemic. The split between officers and ratings who use our services has seen a reduction in the proportion of enquiries and clients from ratings and other ranks (60%) with a slight increase from the officer corps (32%). The split between RN and RM has increased to just over 5:1 which is a ratio that does not reflect previous years trends and will be monitored closely to check if a more normal regime corresponds to the actual service split between dark blue and lovat of 3:1. The amount of work undertaken on behalf of non-uniformed clients with veterans, families and dependants has also decreased to 9%, the bulk of which is associated assistance to veterans.

26. The subject of enquiries to the WEA has seen a significant swing away from the established proportions of previous years with employment related topics no longer forming the single largest proportion – for this period they accounted for 37% of questions and requests. Conversely personal finance and pension questions accounted for over 45% of interest with pension queries accounting for almost 80% of the assistance requested. This shift in emphasis is attributed to the focus on the economic circumstances of the individual as the national recovery struggles to recover despite an extremely buoyant employment market. The remainder of staff activity has been evenly split between more general resettlement issues and broad life challenges including 9% on medical discharges and 4% on divorce and legal issues.

Events

27. The Annual General Meeting was held remotely via Zoom on 25th March 2021.

¹ adjusted to take account of the 18 month reporting period

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FINANCIAL REVIEW

Results for the Year

28. The Association increased its revenue slightly on the previous reporting period (less the legacy from our late President). This was due to an increase in the number of subscribing company members and the receipt of some significant donations. Expenditure was significantly lower than the previous reporting period. This can be explained by several factors including a reduction in staff members, less travel made due to Covid-19 restrictions and much lower investment management fees than was expected (this, because our late President's legacy of £5.2M was largely retained in cash for much of the period). The Association had, on the 31 December 2021, an operating deficit of £224,154. This was reduced by an unrealised gain of £161,829 on investments, to leave a retained deficit of (£62,325).

Balance Between Direct Charitable Costs and Overheads

29. The allocation of costs between the main functional areas laid down by the Charity Commission is based on analysis of overall activity levels and cost and time by value, spent on individual and collective tasks. The major item of expenditure is the cost of staff and 88% of staff time by value is spent on the primary output of the Charity (interviewing, casework and lecturing) and is therefore categorised as 'activities in furtherance of the charity's objects'. The overall balance between direct charitable output and overheads and running costs is considered reasonable.

Investment Policy

30. The Association's investment policy is to maintain sufficient reserves to secure its long-term future. At the Council of Management meeting in September 2021 it was agreed, in order to minimise risk, to split the management of the charity's investment funds between two companies. After a review of a number of potential managers and subsequent presentations to the F&GPC it was decided that the WEA's investment capital would be equally divided between Cazenove and Sarasin. Each organisation will manage their share of the Association's investment funds with set objectives to preserve the real value of the capital while producing income to finance charitable needs.

Designated Endowment Fund

31. The White Ensign Association Designated Endowment Fund was set up following receipt of two major donations in September 1995. The purpose of the Fund is to help secure the long-term future of the Association and the income is used to fund continuing activities.

32. The Trustees are not aware of any material uncertainties which would affect the Charity's ability to continue as a going concern. The Trustees review this issue on a regular basis.

Policy on Reserves

33. The Association depends for its financial viability on donations. Donation income, which by its nature is uncertain, supplements the returns from the Association's investments. The Association's policy on reserves is to maintain a value matching assessed operating costs for an extended period to allow for continued support to existing clients in the event of a significant reduction in current anticipated donation levels. The Charity's Reserves held at the year-end date

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are above the Reserves policy. The Charity's policy on Reserves and their disposal are regularly reviewed taking into account investment advice and market volatility.

COUNCIL'S RESPONSIBILITIES

Financial Statements

34. Company law requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing those financial statements, the Council is required to:

- (a) Select suitable accounting policies and then apply them consistently;
- (b) Make judgements and estimates that are reasonable and prudent;
- (c) State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statement;
- (d) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Accounting Records

35. The Council is responsible for keeping proper accounting records which disclose fairly and accurately at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and Charity Commission Regulations. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

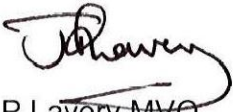
36. A resolution to appoint new auditors will be considered at the Annual General Meeting.

THE FUTURE

36. The Council of Management will continue to strive to ensure that the Association maintains a suite of services to the sailors, marines, both present and past, and their families, that remains relevant and of value. Specific areas of the Service and locations will be targeted to ensure that awareness of the Association remains high, whilst further opportunities for closer working relationships within the wider service charity sector will continue to be explored. The Association's principal aims and objectives for the next 5 years, along with specific undertakings for 2022 are detailed within the White Ensign Strategic Plan, which is published on the WEA website.

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By order of the Council

A handwritten signature in black ink, appearing to read 'J P Lavery', with a stylized flourish at the end.

J P Lavery MVO
Chief Executive

The White Ensign Association Limited
HMS BELFAST
Tooley Street
London SE1 2JH

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WHITE ENSIGN ASSOCIATION LIMITED

Opinion

We have audited the financial statements of The White Ensign Association Limited (the 'charitable company') for the year ended 31st December 2021 which comprise of the Income and Expenditure Account, Statement of Financial Activities, Balance Sheet and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course

of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for company law purposes, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined the most significant are FRS 102, the Companies Act 2006 and the Charities Act 2018. Together with the supervisory requirements of Companies House and the Charity Commission.
- The company does not operate internationally and is not impacted by international laws and regulations. Taxation law and regulations apply to the company but it is not involved in any complex matters that increase the risk of non-compliance.
- We understood how the company is complying with those frameworks through discussions with the trustees and review of the council minutes and the company's policies and procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved a review of the trustees' reporting to the company with respect of the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the company.
- Our pre-audit review specifically makes reference to fraud risk and this is supported by audit documentation. We also review the council minutes to identify any matters of concern or risk. None was identified.
- However, the primary responsibility for the prevention and detection of fraud rest with both those charged with governance of the company and management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



R W Williams FCCA
(Senior Statutory Auditor)
For and on the behalf of...
Appleby & Wood (London) Limited
40 The Lock Building
72 The High Street
London E15 2QB

10th October 2022

THE WHITE ENSIGN ASSOCIATION LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Notes	2021 £	2020 £
Income		272,267	5,424,879
Gains/(Losses) on investments		161,829	56,694
		<u>434,096</u>	<u>5,481,573</u>
Expenditure		(496,421)	(717,412)
Net (expenditure)/Income before tax for the reporting period		(62,325)	4,764,161
Tax Payable		<u>-</u>	<u>-</u>
Net (expenditure)/ income for the financial year		<u>(62,325)</u>	<u>4,764,161</u>

All income relates to unrestricted funds.

A detailed analysis of income and expenditure by source is provided in the Statement of Financial Activities and the notes to the financial statements.

The notes on pages 17 to 23 form part of these financial statements.

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Statement of Financial Activities for the year ended 31st December 2021

		Unrestricted Funds	
	Notes	Total Funds 2021 £	Total Funds 2020 £
<u>Income and endowments from:</u>			
Donations	2	176,375	5,279,402
Charitable Activities : Fees		-	-
Other Trading activities:			
Subscriptions		22,390	42,270
Investment income		22,351	50,740
Other income		51,151	52,467
Total		<u>272,267</u>	<u>5,424,879</u>
<u>Expenditure on:</u>			
Raising funds	5	13,730	22,966
Charitable activities	5	391,868	593,333
Other Costs (including publicity)	5	90,823	101,113
Total		<u>496,421</u>	<u>717,412</u>
Net gain on investments		<u>161,829</u>	<u>56,694</u>
Net (expenditure)		(62,325)	4,764,161
Transfers between funds		-	-
Net movement in funds		<u>(62,325)</u>	<u>4,764,161</u>
Reconciliation of funds:			
Total funds brought forward		<u>6,220,796</u>	<u>1,456,635</u>
Total funds carried forward at 31st December 2021	10	<u><u>6,158,471</u></u>	<u><u>6,220,796</u></u>

The company has no recognised gains and losses for the year other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

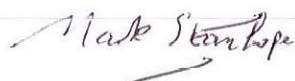
The notes on pages 17 to 23 form part of these financial statements.

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Balance Sheet as at 31st December 2021
Company No. 00606887

	Notes	Total Funds 2021		Total Funds 2020	
		£	£	£	£
Fixed assets					
Tangible assets	6		6,324		8,258
Investments	7		5,994,393		3,602,983
Total fixed assets			6,000,717		3,611,241
Current assets					
Debtors	8	30,974		2,847	
Cash at bank and in hand		135,821		2,632,128	
Total current assets		166,795		2,634,975	
Creditors: amounts falling due within one year	9	(9,041)		(25,420)	
Net current assets			157,753		2,609,555
Total net assets or liabilities			6,158,471		6,220,796
General funds	10		6,158,471		6,220,796
Restricted funds	10		-		-
Total charity funds			6,158,471		6,220,796

The financial statements on pages 12 to 21 were approved by the Finance and General Purposes Committee, on behalf of the Council of Management on March 2022 and were signed on its behalf by:



Admiral Sir Mark Stanhope GCB OBE DL
Chairman & Member of the Council of Management



Captain Lance Batchelor RNR
Vice Chairman & Member of the Council of Management

The notes on pages 17 to 23 form part of these financial statements.

THE WHITE ENSIGN ASSOCIATION LIMITED
Notes to the financial statements – 31st December 2021

1 Principal Accounting Policies.

The financial statements have been prepared in accordance with the Companies Act 2006 and follow the recommendations of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

a Basis of accounting

Monetary values are calculated under the historical cost convention modified by the inclusion of investments at their aggregated quoted market value.

b Income

Subscriptions for the Company Membership scheme, RN Lecture program, listed investments and bank interest are credited to income on an accruals basis. Income from donations is credited on a cash received basis.

c Depreciation

Depreciation is calculated on a straight line basis so as to write off fixed assets over their expected useful lives. The principal annual rates used for this purpose are:

Equipment	25%
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d Investments

December 2021 with the comparatives for the 18 month period ending 31st December 2020, also shown at their market value. The revaluation surplus has been shown on the statement of financial activities as net realised and unrealised gain on investment assets.

Notes to the financial statements – 31st December 2021

e Endowment and unrestricted funds

The Trustees set aside at their discretion designated sums forming part of the Association's unrestricted funds to be used for maintaining future activities of the Association. Such sums are described and disclosed as Designated Endowment Fund. The Trustees have the power to reallocate such funds within the unrestricted funds unless and until expended.

f Pension

individuals pension provision by making a monthly payment to the individual. This payment is for the individual to make provision for their pension on a personal basis.

g Functional classification of expenditure

Each component of expenditure is analysed by time and cost, based on task and activity and allocated proportionately to the prime functional areas laid down by the Charity Commission in SORP 2019.

2 Donation income

In common with many other charities of similar size and organisation, a proportion of income is derived from donations which cannot be fully controlled until they are entered into the accounting records. In the opinion of the Council of Management this does not constitute a significant uncertainty in the preparation of the accounts.

3 Emoluments of Council of Management Members

No emoluments were paid during the year to any member of the Council of Management.

4 Employee information

	2021 Number	2020 Number
The average monthly number of persons employed during the year was:	6	6

The emoluments of one employee exceeded £100,000

The emoluments of two employees exceeded £60,000

	2021 £	2020 £
Staff costs (for the above persons):		
Wages and salaries (including holiday pay provision)	285,137	461,872
Social security costs	32,422	57,564
Pension costs	17,376	25,448
	<u>334,935</u>	<u>544,884</u>

Remuneration of Key Management Personnel

Total employee benefits (including employer's National Insurance contributions, Pension contributions and other benefits) paid to the key management personnel (Chief Executive and Finance Director), totalled £192,116 in the year. (2020: £191,181)

THE WHITE ENSIGN ASSOCIATION LIMITED

Notes to the financial statements – 31st December 2021

5 Analysis of total resources expended(*)

	Cost of Raising Funds £	Activities on the Charity's Objects £	Other Costs £	Total 2021 £	Total 2020 £
Staff costs (inc pensions)	13,397	294,743	26,795	334,935	544,884
Communications (incl IT, Printing, Postage)	-	60,646	20,216	80,862	53,424
Rent, rates, light & heat	-	9,110	3,036	12,146	14,083
General expenses	-	-	788	788	1,541
Travel/Corp Hosting/Training	332	6,313	-	6,644	23,423
Events	-	21,057	-	21,057	40,953
Auditors remuneration	-	-	3,990	3,990	3,990
Depreciation	-	-	3,066	3,066	2,872
Investment Fund Management Fee	-	-	20,418	20,418	9,900
Bank Charges	-	-	37	37	63
Insurance	-	-	2,342	2,342	4,053
Public relations	-	-	10,136	10,136	18,227
	13,730	391,868	90,823	496,421	717,413

(*) Note: The White Ensign Association is not a grant awarding charity and no grants have been paid in furtherance of the charity's objects.

THE WHITE ENSIGN ASSOCIATION LIMITED

Notes to the financial statements – 31st December 2021

6	Tangible fixed assets	2021	2020
		£	£
		Office	Office
		Equipment	Equipment
		£	£
	Costs		
	As at 1 January 2021	40,048	28,918
	Additions	1,132	11,130
	Disposals	-	-
	As at 31st December 2021	41,180	40,048
	Depreciation		
	As at 1 January 2021	31,790	28,918
	Disposals	-	-
	Charge for year	3,066	2,872
	As at 31st December 2021	(34,856)	(31,790)
	Net book value		
	31st December 2021	6,324	8,258

7	Fixed asset investments	2021	2020
		£	£
	Classification of investments at market value:		
	Fixed interest - Bonds	359,550	141,719
	Equities (mainly common investment funds)	1,858,090	907,132
	Cash held as part of investment portfolio	3,776,753	2,554,132
		5,994,393	3,602,983

The acquisition costs of the above investments were £5,754,039 (2020: £3,455,272)

THE WHITE ENSIGN ASSOCIATION LIMITED

Notes to the financial statements – 31st December 2021

	2021 £	2020 £
8 Debtors		
Membership Fees	-	1,500
Other Debtors:		
Pre-paid travel	914	-
Pre-paid Insurance	1,060	1,347
Event Paid in advance	29,000	-
	<u>30,974</u>	<u>2,847</u>
9 Creditors- amounts falling due within one year		
	2021 £	2020 £
VAT creditor	-	2,136
Holiday pay entitlement	4,434	7,288
Other creditors	4,607	15,996
	<u>9,041</u>	<u>25,420</u>

THE WHITE ENSIGN ASSOCIATION LIMITED

Notes to the financial statements – 31st December 2021

10 (a) Analysis of funds balances

	2021 £	2020 £
Unrestricted funds	5,378,471	5,440,796
Restricted funds	-	-
Designated funds	780,000	780,000
	<u>6,158,471</u>	<u>6,220,796</u>

(b) Net movement in general fund balances during the financial year.

	Restricted Funds £	Unrestricted Funds £	Designated Funds £	Total £
As at 1st January 2021	-	5,440,796	780,000	6,220,796
Net Movement in general funds	-	(62,325)	-	(62,325)
As at 31st December 2021	-	5,378,471	780,000	6,158,471

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund Balances at 31st December 2021 are represented by	Unrestricted Funds £	Designated Funds £	2021 £	2020 £
Tangible fixed assets	6,324	-	6,324	8,258
Investments	5,214,393	780,000	5,994,393	3,602,983
Current assets	166,795	-	166,795	2,634,975
Current liabilities	(9,041)	-	(9,041)	(25,420)
Total Net Assets	<u>5,378,471</u>	<u>780,000</u>	<u>6,158,471</u>	<u>6,220,796</u>

12 Net movement in funds

	2021 £	2020 £
This is stated after charging:		
Audit fees (including VAT)	3,990	3,990
Depreciation of fixed assets	-	-

THE WHITE ENSIGN ASSOCIATION LIMITED
STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31ST DECEMBER 2021

<u>Statement of cash flows</u>	Total funds 2021 £	Totaal fund 2020 £
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	(287,944)	4,674,555
Cash flows from investing activities:		
Dividends, interest and rents from investments	22,351	50,740
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	(1,132)	(11,130)
Movement in investments	(2,229,581)	(2,191,101)
<i>Net cash provided by (used in) investing activities</i>	(2,496,307)	2,523,064
Cash flows from financing activities:		
Repayments of borrowing	-	-
Cash inflow from new borrowing	-	-
Receipt of endowment	-	-
<i>Net cash provided by (used in) financing activities</i>	(2,496,307)	2,523,064
<i>Change in cash and cash equivalents in the reporting period</i>	(2,496,307)	2,523,064
Cash and cash equivalents at the beginning of the reporting period	2,632,128	109,064
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash and cash equivalents at the end of the reporting period	135,821	2,632,128

Reconciliation of net income/(expenditure) to net cash flow from operating activities

<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	(62,325)	4,764,161
Adjustments for:		
Depreciation charges	3,066	2,872
(Gains)/Losses on investments	(161,829)	(56,694)
Dividends, interest and rent from investments	(22,351)	(50,740)
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in stocks	-	-
(Increase)/decrease in debtors	(28,127)	26,844
Increase/(decrease) in creditors	(16,379)	(11,888)
<i>Net cash provided by (used in) operating activities</i>	(287,944)	4,674,555

<u>Analysis of cash and cash equivalents</u>	Total funds 2021	Totaal fund 2020
Cash in hand	135,821	2,632,128
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
Total cash and cash equivalents	135,821	2,632,128

