



THE WHITE ENSIGN ASSOCIATION LIMITED

**REPORT OF THE COUNCIL OF MANAGEMENT AND AUDITED ACCOUNTS FOR THE
PERIOD ENDED 31 DECEMBER 2022**

Charity Registered No	206787	Company Registered No	00606887
Registered Office	HMS BELFAST Tooley Street London SE1 2JH		
Bankers	Royal Bank of Scotland plc Holt's Military Banking 200 Fowler Avenue Fowler Business Park Farnborough Hampshire GU14 7JP		
Auditors	Appleby & Wood (London) Limited 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.whiteensign.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"

**REPORT OF THE WHITE ENSIGN ASSOCIATION COUNCIL OF MANAGEMENT FOR
THE YEAR ENDED 31 DECEMBER 2022**

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 2022. 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 WEA is HMS BELFAST, Tooley Street, London, SE1 2JH.

The Trustees

4. The registered Trustees serving continuously between the periods 1 Jan 2022 to 31 December 2022 were as follows:

Captain L H L Batchelor RNR*. **Vice Chairman.**
Mr S A Black*
Mr E W Byers*
Ms R Cairnie
Lieutenant General E G M Davis CB CBE
Mrs H Deeble CBE
Commodore R W Dorey RFA
Captain A P Gosling RNR
Ms Caroline Haughey OBE KC
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 OBEL DL*. **Chairman.**
Mr Harry Theochari OBE
Admiral Sir George Michael Zambellas GCB DSC DL*

*Members of the Finance & General Purposes Committee

5. Lord Carlile of Berriew CBE KC retired as Chairman of the Council at its meeting held on 23 Mar 22. Admiral Sir Mark Stanhope was appointed as the new Chairman at that meeting.

Presidents and Vice Presidents

6. It was with great sadness that we learned that our President, Admiral of the Fleet The Lord Boyce KG GCB OBE DL, passed away on 6 November 2022. A new President will be appointed in 2023. 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 Jonathan 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

7. The former Prince of Wales has been our long-standing and much valued Patron. However, following his succession as His Majesty King Charles III following the sad passing of the late Queen Elizabeth II, the Association has been notified that his former patronages are now subject to review and a decision will be communicated in due course regarding his patronage of the WEA.

The Chief Executive and Staff

8. Captain J P Lavery MVO Royal Navy, who was appointed as the Chief Executive by the Council with effect from 17th January 2012, was relieved by Commodore S H Wright Royal Navy on 22nd April 2022. The Chief Executive is supported by five other members of staff: a Director of Employment and Finance, who also serves as the Company Secretary; the Regional Manager South and East England; the Regional Manager South West and Scotland; the Compensation Advocacy and Support Officer; and the Administration and Support Manager.

9. 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 interviews and casework.

Remuneration Policy Setting

10. Staff remuneration is considered on an annual basis by the Nominations and Remuneration Committee (NRC) which considers recommendations 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

11. A panel of professional advisers has been formed to provide advice and guidance to the WEA's beneficiaries. The names and details of the advisers are published in the charity's Annual Review and are listed on the WEA's website.

STRUCTURE, GOVERNANCE & MANAGEMENT

Constitution

12. The WEA 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.

13. 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)

14. 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

15. The selection, induction, review and monitoring of trustees is overseen by the NRC as part of its remit from the Council and it 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, namely the outgoing Chairman, Lord Carlile of Berriew. No new trustees were selected or inducted.

Risk Assessment and Compliance

16. 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 WEA. A summary of the main risks associated with the WEA's activities are contained in the table below:

Risk Description	Risk Mitigation Activities
Product Failure to meet the needs of beneficiaries because WEA services are not tailored to their requirements.	Conduct of a full strategic review involving engagement with key stakeholders in the Royal Navy and military charity sector to ensure WEA is meeting the needs of its beneficiaries. Seek regular customer feedback. Continually improve, update and augment guidance available. Use of modern technology and WEA's digital presence to engage with beneficiaries.
Finance Inability to deliver outputs owing to insufficient income.	Implementation of income generation activities and cost control measures agreed by the Council following CEO's review of financial options. Regular monitoring by F&GPC. Maintain 5-yearly financial forecast with monthly cash flow projections. Maintain long-term investment funding strategy and tangible reserve of 6 months' operating costs.
Staff performance and calibre Failure to support beneficiaries properly because of staff under-performance.	Meticulous selection of staff to maintain staff quality. Tailored staff induction and rolling staff training programme to maintain currency. Regular interaction with RN, MoD and other stakeholders to ensure staff remain current with relevant legislative and policy developments.
Business Continuity Inability to deliver outputs owing to staffing and/or other issues.	Business Continuity Plan to be reviewed regularly. Regular review of staff availability to ensure maintenance of reasonable coverage. Strategic review to consider need for new posts to help build resilience into service provision.
Relevance	Monitor MoD activity and charity sector networks for any indications of strategic market changes. Conduct full

Reduction in demand for WEA services owing to a lack of relevance.	strategic review to ensure WEA remains relevant and correctly positioned.
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Public Benefit

17. 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 serve or have served in the Royal Navy, the Royal Marines, the Royal Fleet Auxiliary, the Queen Alexandra's Royal Naval Nursing Service or the Royal Naval or Royal Marine Reserve Forces from the time they join the Service until they die. The Association's services may also be accessed by close dependents 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 AND ACTIVITIES

Objects

18. 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, the former Women's Royal Naval Service, the 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 individuals preparing for and 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.

19. 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

20. The Association's policies have been designed to achieve these objects by providing the basic infrastructure to enable all those who are serving in or have served in the Naval Service and who seek 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 or online. 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 Naval Service personnel.
- e. Other activities, including arranging meetings for beneficiaries with the Association's Panel of Professional Advisers, facilitating networking connections, presenting briefings and organising events.

Membership Schemes

- 21. The Association has two categories of membership:
 - a. **Company Member** – Annual fee: £500.
 - b. **Individual (Life) Membership** – offered to those who make either a significant financial or personal contribution.
- 22. The Association had 63 subscribing company members and 145 individual members on 31 December 2022.

ACHIEVEMENTS AND PERFORMANCE

Overview

23. During the last 12 months the Association has re-established its pre-COVID routine of on-site briefings and personal face-to-face interviews with our beneficiaries. That said, the WEA is applying the lessons of COVID in how modern technology can be harnessed to support the Association's business practices. One-to-one meetings on MS Teams provide a welcome flexibility for both beneficiaries and staff members as an alternative to meeting in person. Equally, when appropriate, the Association is using webinars to increase its reach. Of note, 318 people attended a webinar which the WEA conducted in support of the MoD's annual pension awareness week in November 2022. This included individuals who were serving abroad.

24. Collaboration with partners in the military charity sector continues to be an essential part of the WEA's business. This is particularly prevalent in relation to supporting the most vulnerable. In 2022 the Association became a partner of the Royal Navy and Royal Marines Charity (RNRMC) in the delivery of their transition support programme for vulnerable Service leavers. Due to the generosity of RNRMC funding the Association was able to recruit a specialist caseworker to provide support for Royal Navy personnel and veterans who wish to pursue compensation claims and appeals through the Armed Forces Compensation Scheme and War Pension Scheme. Colleagues from the Royal Marines Association-The Royal Marines Charity, who already provide this vital support to the Royal Marines community, kindly provided specialist training to the Association's new caseworker to enable the compensation support service for Royal Navy personnel and veterans to go live on 1 Sep

22. Early demand for the services of this caseworker indicates that an unmet need is now being met. Elsewhere, to mark the fiftieth anniversary of the WEA being headquartered onboard HMS Belfast, the Association held a successful Supporters Reception to recognise and thank the charity's partners for what they do in enabling the WEA to support its beneficiaries. In addition, as one of the few external bodies invited by the MoD to assist in pensions development and communications, the WEA continues to be a contributor to the refinement of policy following the McCloud judgement and a key conduit of information to the affected community within the Royal Navy.

Work Summary

25. Work over the year comprised (in this paragraph the corresponding figures for 2021 are in parenthesis for comparison)

- a. **Advice, Assistance and Information.** Support was offered to 983 (589) individuals who registered for some form of assistance during the year.
- b. **Interviews.** 466 (77) face to face interviews were conducted.
- c. **Lectures.** 220 (44) lectures were provided to audiences totalling 3143 (401) people – financial awareness 1152 (24), transition preparation 564 (237) and other topics 1427 (140).

26. Therefore, in overall terms, the number of individuals with whom the charity has interacted over the past 12 months has increased dramatically and recovered to pre-COVID levels. This is explained by the resumption, post-COVID, of a full programme of unit level briefings in 2022. The increased physical presence of the charity across the naval estate also facilitated an increase in the number of individual approaches made by beneficiaries. The split between officers and ratings who use the WEA's services has seen a slight increase in the proportion of enquiries and beneficiaries from naval ratings and RM other ranks (70%) as compared to the officer corps (30%). As in 2021 the ratio of RN to RM beneficiaries is just over 5:1 which does not reflect the actual ratio of RN to RM in service. The amount of work undertaken on behalf of families and dependants was 3% of the overall total.

27. There have been some notable trends in the subject matter of enquiries received by the WEA. Continuing the trend seen last year, personal finance and pensions requests remain the largest single category and has risen significantly to 60% (from 45% in 2021). 75% of that total was pension-related which was broadly similar to 2021 (80%). Requests relating to employment and medical discharges account for 16% and 7% of the Association's total work respectively. Of particular note, 7% of requests now concern the Armed Forces Compensation Scheme (AFCS) and War Pensions Scheme (WPS). This reflects the establishment of our new AFCS and WPS support service in September 2022. Divorce and other legal issues account for a further 7% of all requests.

Events

28. The Annual General Meeting was held in Trinity House on 23 March 2022.

FINANCIAL REVIEW

Results for the Year

29. On 31 December 2022 the Association had an operating deficit of - £186,641. The global economic decline over the period and a resultant significant shortfall in anticipated dividend income from investments explains a major part of this operating deficit. In addition,

monies were received from RNRMC to fund the CASO post in late 2021. This represented a pre-payment against paying the CASO salary, who was recruited, employed and therefore paid in 2022, thereby contributing further to the operating deficit.

30. The RNRMC assumed all transactional banking and accounting responsibilities for the WEA on 1st August 2022. All payments made on the Association's behalf are authorised by the WEA's Director of Employment and Finance (DEF). The RNRMC also have a two-person authorisation process, providing assurance against the potential for fraudulent activity. The DEF also works closely with the RNRMC in-house management accountant and finance officers.

Balance Between Direct Charitable Costs and Overheads

31. 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 the staff. The majority of staff time, by value, is spent on the primary output of the charity (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

32. The Association's investment policy aims to contribute to and build a reserve to guarantee its long-term future. The investment managers report regularly on the performance of the Association's investments and they have provided briefings to the F&GPC in committee. Members of the F&GPC with a good working knowledge of fund and investment management also keep a watching brief over the performance of the Association's investments.

Designated Endowment Fund

33. 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 is invested appropriately.

Going Concern

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

Policy on Reserves

35. The Association depends for its financial viability on donations and grants. Donation income, which by its nature is uncertain, supplements the returns from the Association's investments. Grant income received can be both unrestricted and restricted and is allocated to the Association's activities accordingly. The Association's policy on reserves is to maintain a value matching assessed operating costs for an extended period (six months) to allow for continued support to existing clients in the event of a significant reduction in current anticipated income levels. The WEA's Reserves held at the year-end are above the Reserves Policy. The WEA's policy on Reserves and their disposal is regularly reviewed, taking into account investment advice and market volatility.

COUNCIL'S RESPONSIBILITIES

Financial Statements

36. 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 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

37. The Council is responsible for keeping proper accounting records which disclose fairly and accurately at any time the financial position of the company and 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

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

THE FUTURE

39. In November 2022 Greenwich Hospital notified the Association that its application for funding of a new Scotland and Overseas Regional Manager post had been successful. Thanks to the generosity of Greenwich Hospital, this will enable the Association to better support an increasing number of beneficiaries in these geographical locations in the coming years. Recruitment action for this post is planned for the early part of 2023.

40. At its meeting in September 2022 the Council commissioned the new CEO to conduct a full strategic review and to report to the Council with his recommendations in January 2023. This is expected to generate a new 5-year strategy that will be implemented in 2023. Following a review of financial options which was conducted in 2022, work is now in hand to introduce new income generation streams to ensure that the Association is financially sustainable in the future.

By order of the Council

S H Wright
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 2022 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 2022 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

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

18th May 2023

THE WHITE ENSIGN ASSOCIATION LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Notes	2022 £	2021 £
Income		293,927	272,267
(Losses)/Gains on investments		(400,239)	161,829
		<u>(106,312)</u>	<u>434,096</u>
Expenditure		(478,568)	(496,421)
Net (expenditure)/Income before tax for the reporting period		(584,880)	(62,325)
Tax Payable		<u>-</u>	<u>-</u>
Net (expenditure)/ income for the financial year		<u>(584,880)</u>	<u>(62,325)</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 16 to 22 form part of these financial statements.

THE WHITE ENSIGN ASSOCIATION LIMITED

Statement of Financial Activities for the year ended 31st December 2022

		Unrestricted Funds	
	Notes	Total Funds 2022 £	Total Funds 2021 £
<u>Income and endowments from:</u>			
Donations	2	36,949	176,375
Charitable Activities : Fees		-	-
Other Trading activities:			
Subscriptions		18,310	22,390
Investment income		116,224	22,351
Other income		122,444	51,151
Total		<u>293,927</u>	<u>272,267</u>
<u>Expenditure on:</u>			
Raising funds	5	14,618	13,730
Charitable activities	5	376,688	391,868
Other Costs (including publicity)	5	87,261	90,823
Total		<u>478,568</u>	<u>496,421</u>
Net (loss)/ gain on investments		<u>(400,239)</u>	<u>161,829</u>
Net (expenditure)		<u>(584,880)</u>	<u>(62,325)</u>
Transfers between funds		-	-
Net movement in funds		<u>(584,880)</u>	<u>(62,325)</u>
Reconciliation of funds:			
Total funds brought forward		<u>6,158,471</u>	<u>6,220,796</u>
Total funds carried forward at 31st December 2022	10	<u><u>5,573,591</u></u>	<u><u>6,158,471</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.

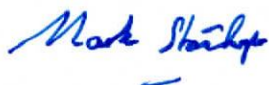
The notes on pages 16 to 22 form part of these financial statements.

THE WHITE ENSIGN ASSOCIATION LIMITED

Balance Sheet as at 31st December 2022
Company No. 00606887

	Notes	Total Funds 2022		Total Funds 2021	
		£	£	£	£
Fixed assets					
Tangible assets	6		6,660		6,324
Investments	7		<u>5,469,537</u>		<u>5,994,393</u>
Total fixed assets			5,476,197		6,000,717
Current assets					
Debtors	8	67,270		30,974	
Cash at bank and in hand		<u>50,478</u>		<u>135,821</u>	
Total current assets		117,748		166,795	
Creditors: amounts falling due within one year	9	<u>(20,353)</u>		<u>(9,041)</u>	
Net current assets			<u>97,395</u>		<u>157,754</u>
Total net assets or liabilities			<u><u>5,573,592</u></u>		<u><u>6,158,471</u></u>
 General funds	10		5,573,592		6,158,471
Restricted funds	10		<u>-</u>		<u>-</u>
Total charity funds			<u><u>5,573,592</u></u>		<u><u>6,158,471</u></u>

The financial statements on pages 13 to 22 were approved by the Finance and General Purposes Committee, on behalf of the Council of Management on 22nd March 2023 and were signed on its behalf by:



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



Captain L H L Batchelor RNR
Vice Chairman & Member of the Council of Management

The notes on pages 16 to 22 form part of these financial statements.

THE WHITE ENSIGN ASSOCIATION LIMITED
Notes to the financial statements – 31st December 2022

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

The investment assets have been shown at market value in the period ending 31st December 2022 with the comparatives for the year ending 31st December 2021, 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.

THE WHITE ENSIGN ASSOCIATION LIMITED

Notes to the financial statements – 31st December 2022

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

	2022 Number	2021 Number
The average monthly number of persons employed during the year was:	6	6

The emoluments of no employee exceeded £100,000

The emoluments of two employees exceeded £60,000

	2022 £	2021 £
Staff costs (for the above persons):		
Wages and salaries (including holiday pay provision)	289,512	285,137
Social security costs	41,001	32,422
Pension costs	6,012	17,376
Renuneration Benchmarking	6,000	-
	<u>342,525</u>	<u>334,935</u>

THE WHITE ENSIGN ASSOCIATION LIMITED

Notes to the financial statements – 31st December 2022

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 £140,000 in the year. (2021: £192,116)

5 Analysis of total resources expended(*)

	Cost of Raising Funds £	Activities on the Charity's Objects £	Other Costs £	Total 2022 £	Total 2021 £
Staff costs (inc pensions)	13,701	301,422	27,402	342,525	334,935
Communications (incl IT, Printing, Postage)	-	15,273	5,091	20,365	80,862
Rent, rates, light & heat	-	11,529	3,842	15,372	12,146
General expenses	-	-	1,614	1,613	788
Travel/Corp Hosting/Training	917	17,430	-	18,346	6,644
Events	-	31,035	-	31,035	21,057
Auditors remuneration	-	-	4,100	4,100	3,990
Depreciation	-	-	4,137	4,137	3,066
Investment Fund Management Fee	-	-	31,242	31,242	20,418
Bank Charges	-	-	-	-	37
Insurance	-	-	1,594	1,594	2,342
Public relations	-	-	8,239	8,239	10,136
	14,618	376,688	87,261	478,568	496,421

(*) 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 2022

6 Tangible fixed assets	2022	2021
	£	£
	Office	Office
	Equipment	Equipment
	£	£
Costs		
As at 1 January 2022	41,180	40,048
Additions	4,473	1,132
Disposals	-	-
	<u>45,653</u>	<u>41,180</u>
As at 31st December 2022		
Depreciation		
As at 1 January 2022	34,856	31,790
Disposals	-	-
Charge for year	4,137	3,066
	<u>(38,993)</u>	<u>(34,856)</u>
As at 31st December 2022		
Net book value		
31st December 2022	6,660	6,324

7 Fixed asset investments	2022	2021
	£	£
Classification of investments at market value:		
Fixed interest - Bonds	611,949	359,550
Equities (mainly common investment funds)	4,436,606	1,858,090
Cash held as part of investment portfolio	420,982	3,776,753
	<u>5,469,537</u>	<u>5,994,393</u>

The acquisition costs of the above investments were £5,878,375 (2021: £5,754,039)

THE WHITE ENSIGN ASSOCIATION LIMITED

Notes to the financial statements – 31st December 2022

	2022	2021
	£	£
8 Debtors		
Membership Fees	-	-
Other Debtors:		
Pre-paid travel	2,418	914
Pre-paid Insurance	8,385	1,060
Accrued Income	56,467	-
Event Paid in advance	-	29,000
	<u>67,270</u>	<u>30,974</u>
9 Creditors- amounts falling due within one year		
	2022	2021
	£	£
VAT creditor	-	-
Holiday pay entitlement	-	4,434
Deferred Income	4,192	-
Other creditors	<u>16,161</u>	<u>4,607</u>
	<u>20,353</u>	<u>9,041</u>

THE WHITE ENSIGN ASSOCIATION LIMITED

Notes to the financial statements – 31st December 2022

10 (a) Analysis of funds balances

	2022	2021
	£	£
Unrestricted funds	4,793,593	5,378,471
Restricted funds	-	-
Designated funds	780,000	780,000
	<hr/>	<hr/>
	5,573,593	6,158,471
	<hr/>	<hr/>

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

	Restricted Funds £	Unrestricted Funds £	Designated Funds £	Total £
As at 1st January 2022	-	5,378,471	780,000	6,158,471
Net Movement in general funds	<hr/> -	<hr/> (584,879)	<hr/> -	<hr/> (584,879)
As at 31st December 2022	<hr/> -	<hr/> 4,793,592	<hr/> 780,000	<hr/> 5,573,592
	<hr/>	<hr/>	<hr/>	<hr/>

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund Balances at 31st December 2022 are represented by	Unrestricted Funds £	Designated Funds £	2022 £	2021 £
Tangible fixed assets	6,660	-	6,660	6,324
Investments	4,689,537	780,000	5,469,537	5,994,393
Current assets	117,748	-	117,748	166,795
Current liabilities	(20,353)	-	(20,353)	(9,041)
Total Net Assets	<hr/> 4,793,592	<hr/> 780,000	<hr/> 5,573,592	<hr/> 6,158,471
	<hr/>	<hr/>	<hr/>	<hr/>

12 Net movement in funds

	2022 £	2021 £
This is stated after charging:		
Audit fees (including VAT)	4,100	3,990
Depreciation of fixed assets	<hr/> 4,137	<hr/> 3,066
	<hr/>	<hr/>

THE WHITE ENSIGN ASSOCIATION LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST DECEMBER 2022

Statement of cash flows

	Total funds 2022 £	Total fund 2021 £
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	(321,712)	(287,944)
Cash flows from investing activities:		
Dividends and interest from investments	116,224	22,351
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	(4,473)	(1,132)
Movement in investments	124,617	(2,229,581)
<i>Net cash provided by (used in) investing activities</i>	(85,344)	(2,496,307)
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 activities</i>	(85,344)	(2,496,307)
<i>Change in cash and cash equivalents in the reporting period</i>	(85,344)	(2,496,307)
Cash and cash equivalents at the beginning of the reporting period	135,821	2,632,128
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash and cash equivalents at the end of the reporting period	50,477	135,821

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>	(584,880)	(62,325)
Adjustments for:		
Depreciation charges	4,137	3,067
(Gains)/Losses on investments	400,239	(161,829)
Dividends and interest from investments	(116,224)	(22,351)
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in stocks	-	-
(Increase)/decrease in debtors	(36,296)	(28,127)
Increase/(decrease) in creditors	11,312	(16,379)
<i>Net cash provided by (used in) operating activities</i>	(321,712)	(287,944)

Analysis of cash and cash equivalents

	Total funds 2022	Total fund 2021
Cash in hand	50,478	135,821
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
Total cash and cash equivalents	50,478	135,821