

King William IV Naval Foundation

(Registered Charity No. 210392)

Annual Report for the financial year ending 31 December 2018

Section 1

1. Correspondence should be addressed to:
 - a. Matters of policy and applications for residency, to the Chairman of the Governors, Commodore D A H McG Smith CBE RN, April Cottage, Park Road, Haslemere, Surrey, GU27 2NJ
 - b. Matters concerning the charity's accounts, to the Hon Treasurer, Commander R M Scott RN, Rose Cottage, Chalk Hill, Soberton, Hants SO32 3PH
 - c. Other routine matters to the Resident Secretary, Mrs Pat Holland, 4 Royal Naval Cottages, The Drove, Priory Road, SOUTHWICK, Hants PO17 6HE.
2. The Foundation is governed by a Scheme approved by the Charity Commission on 18 August 1972, to which the latest amendment is that dated 4 October 2001. The objectives of the Trustees are to administer and manage the Charity and its property; the latter being the twelve cottages known as the Royal Naval Cottages, The Drove, Southwick. The Residents of the cottages are widows, wives whose husbands have been incapacitated and admitted to full time care or orphaned daughters of Royal Navy or Royal Marines Officers, including Chaplains and Reserve officers who have served on the active list.
3. The charity's scheme describes the following funds operated by the Foundation:
 - a. The Property Fund, which is currently invested in the National Association of Almshouses Common Investment Fund (NAACIF) Income shares, to provide income to the Foundation.
 - b. The Endowment Fund, similarly invested in the NAACIF Income Shares, to provide income for the Foundation.
 - c. The Extraordinary Repair Fund, sums invested in the NAACIF Accumulation Shares, which are reserved for extraordinary repair, improvement or rebuilding of the cottages. Payments are made to this fund each year according to a scale set by the National Association of Almshouses.
 - d. The Leasehold Sinking Fund, sums invested in the NAACIF Accumulation Shares. A sum of £375 should be added to the fund each year. The purpose of the fund is to defray the cost of providing alternative accommodation for the Residents on expiry of the current lease. It will however be liquidated to purchase the freehold of the land from Defence Estates subject to successful completion of ongoing negotiations.
 - e. The Cyclical Maintenance Fund, sums were invested in a National Savings Bank investment account for the maintenance and repair of the buildings. The account has since been closed to help cover the cost of new boiler installation.
 - f. The Reserve Fund, set up from bequests by residents for disposal at Governors' discretion. Currently invested in NAACIF Income Shares to provide extra income to the Foundation.

The Governors have no authority to dispose of the initial investments in the Property and Endowment Funds, nor any of the capital in the Leasehold Sinking Fund. The latter might however be used to purchase the freehold. The Foundation's working capital is invested in the

Charities Official Investment Fund (COIF) Deposit Account.

4. Investment Policy is to maintain the Property and Endowment Funds in accordance with the Foundation's Scheme and to make payments into the Leasehold Sinking Fund, the Extraordinary Repair Fund and Cyclical Maintenance fund as described above.

5. The Honorary Treasurer is Commander R M Scott RN and the Foundation's bankers are Drummonds at the Royal Bank of Scotland, 49 Charing Cross, London SW1A 2DX. The charity's accounts have been inspected by Commander R N Chilcott RN, whose address appears in his report.

Section 2

6. The Trustees of the Foundation are:

Commodore D A H McG Smith CBE RN	Chairman of Governors
Mrs S Williams (former WRNS officer)	Welfare Governor
Rt Hon The Earl Howe PC	Ex-Officio Governor
Commander R E Williams OBE RN	Governor and Hon Secretary
Commander R M Scott RN	Governor and Hon Treasurer
Lieutenant-Commander J F Griffiths RN	Domestic Governor
Lieutenant-Commander A Sard MBE RD RNR	Governor and Registrar

7. The Foundation's scheme permits the appointment of between four and six Trustees in addition to the ex-Officio Governor. The appointment of a new Trustee requires the approval of the Trustees at one of their half yearly meetings. Trustees are selected from retired Royal Navy Officers.

Section 3

8. The Governors meet in Spring and Autumn each year at the cottages. Prior to the Autumn meeting individual Governors call on the Residents. The routine day-to-day administration of the cottages is undertaken by one of the residents, for which they are paid a small honorarium. The Domestic Governor supervises the repair and maintenance of the buildings. The Welfare Governor gives support to the Residents in personal matters.

10. This report and accounts were approved by the governors at a meeting held at the cottages on Friday 5 April 2019.

Chairman of Governors

5 April 2019

King William IV Naval Foundation							
Financial Statements for Year ended 31 December 2018							
Receipts & Payments Account	Unrestricted	Restricted	Total	Total	Budget	Note	
Receipts	Funds	Funds	2018	2017	2019	Ref	
Residents' contributions	£ 17,354.78	£ -	£ 17,354.78	£ 16,331.17	£ 16,000.00	A	
Transferred from COIF Deposit Fund/CMF	£ -	£ 1,875.00	£ 1,875.00	£ -	£ -		
NAACIF (Endowment, Property & Reserve Funds)	£ 15,164.82	£ -	£ 15,164.82	£ 15,164.82	£ 15,000.00	C	
Total Receipts	£ 32,519.60	£ 1,875.00	£ 34,394.60	£ 31,495.99	£ 31,000.00		
			£ -				
Payments			£ -				
Grants to Residents	£ 500.00	£ -	£ 500.00	£ 650.00	£ 650.00	E	
Heating oil	£ 9,855.36	£ -	£ 9,855.36	£ 8,573.05	£ 9,000.00		
Maintenance and repairs	£ 7,971.36	£ -	£ 7,971.36	£ 3,146.84	£ 5,000.00		
Leasehold rent	£ 437.50	£ -	£ 437.50	£ 262.50	£ 350.00		
Electricity	£ 1,385.12	£ -	£ 1,385.12	£ 1,700.20	£ 1,000.00	L	
Grounds maintenance	£ 5,440.00	£ -	£ 5,440.00	£ 4,620.00	£ 5,000.00		
Water rates & Council Tax	£ 1,029.74	£ -	£ 1,029.74	£ 2,758.71	£ 1,500.00	L	
Insurance & subscriptions	£ 1,675.45	£ -	£ 1,675.45	£ 1,829.39	£ 1,850.00		
Cleaning (incl Cash Float)	£ 100.00	£ -	£ 100.00	£ 200.00	£ 200.00	F	
Honorariums & telephone Allowance	£ 620.00	£ -	£ 620.00	£ 750.00	£ 600.00		
Sundry costs	£ 475.48	£ -	£ 475.48	£ 2,471.75	£ 3,000.00	H	
NAACIF (Leasehold Sinking Fund)	£ -	£ -	£ -	£ -	£ 375.00	G	
Transferred from COIF Deposit Fund/CMF	£ 1,875.00	£ -	£ 1,875.00	£ -	£ -		
Total Payments	£ 31,365.01	£ -	£ 31,365.01	£ 26,962.44	£ 28,525.00		
			£ -				
Excess of Receipts over Payments	£ 1,154.59	£ 1,875.00	£ 3,029.59	£ 4,533.55	£ 2,475.00		

Statement of Assets and Liabilities		Unrestricted Funds	Restricted Funds	Total 2018	Total 2017	Note Ref	
Cash Funds							
Current account (Drummonds)	£	19,065.05	£ -	£ 19,065.05	£ 17,910.46		
COIF Deposit Fund	£	3,762.00	£ -	£ 3,762.00	£ 3,745.37	K	
Petty cash	£	135.82	£ -	£ 135.82	£ 146.03	F	
Total Cash Funds	£	22,962.87	£ -	£ 22,962.87	£ 21,801.86		
				£ -			
Investments (National Association of Almshouses Common Investment Fund)				£ -			
Extraordinary Repair Fund	£	-	£ 43,900.01	£ 43,900.01	£ 47,266.67	D	
Property Fund	£	-	£ 121,499.85	£ 121,499.85	£ 136,061.51	C	
Endowment Fund (Ref: 0024003532)	£	-	£ 27,480.31	£ 27,480.31	£ 30,773.80	C	
Endowment Fund (Ref: 0024003531)	£	-	£ 179,738.00	£ 179,738.00	£ 201,279.47	C	
Leasehold Sinking Fund	£	-	£ 560,151.16	£ 560,151.16	£ 601,149.40	G	
Reserve Fund	£	26,317.33	£ -	£ 26,317.33	£ 29,471.45	C	
Total Investments	£	26,317.33	£ 932,769.33	£ 959,086.66	£ 1,046,002.30		
Assets				£ -			
12 Almshouses	£	-	£ 1,943,228.00	£ 1,943,228.00	£ 1,868,488.00	J	
Fuel surcharge arrears (No 10)	£	200.00	£ -	£ 200.00	£ 295.00		
Leasehold Sinking Fund	£	-	£ 375.00	£ 375.00	£ 1,875.00	G/Contra	
Total Cash Funds, Investments & Assets	£	49,480.20	£ 2,876,372.33	£ 2,925,852.53	£ 2,938,462.16		
Liabilities				£ -			
Leasehold Sinking Fund	£	375.00	£ -	£ 375.00	£ 1,875.00	G/Contra	
Total Liabilities	£	375.00	£ -	£ 375.00	£ 1,875.00		
Balance (Assets less Liabilities)	£	49,105.20	£ 2,876,372.33	£ 2,925,477.53	£ 2,936,587.16		
Approved by the Governors at their meeting held on 5 April 2019 and signed on their behalf by:							
D A H McG SMITH CBE, Commodore Royal Navy Chairman of Governors							
Notes:-							

A.	Residents' contributions currently £112/115 pcm plus £200 Fuel Surcharge levied in November (included in budget estimate)						
C.	Invested in National Association of Almshouses Common Investment Fund (NAACIF) with 1/4ly income paid into Current A/C. Market value at 31 Dec 18.						
D.	Invested in NAACIF Accumulation Shares. NAA recommend levels of payments to be made annually but Foundation has been unable to keep pace with these recommendations. Market value at 31 Dec 18.						
E.	£50 to each resident at Christmas.						
F.	Float held by Resident Secretary. Income from washing machine and guest room with expenditure mainly on cleaning. Topped up as required.						
G.	Invested in NAACIF Accumulation Shares augmented annually by £375 as recommended by NAA to defray cost of providing alternative accommodation for the Residents on expiry of current lease. Will be used to purchase the freehold from Defence Estates (negotiations ongoing). Market value at 31 Dec 18.						
H.	Includes legal and other costs associated with purchase of freehold						
J.	Based on insurance valuation at 30 Jun 18.						
K.	Invested with CCLA Investment Management Ltd (COIF Charity Funds) with interest up to 31 Dec 18 included.						
L.	Includes Council Tax and residual electricity and water costs for 2 empty properties.						

Independent Examiner's Report on the Accounts
To The Trustees of the King William IV Naval Foundation
Registered Charity Number 210392
Accounts for 2018 set out on pages 4 to 6 attached

The Charity's trustees are responsible for the preparation of the accounts. The Charity's Trustees consider that an audit is not required for this year (under section 43(2) of the Charities Act 1993 (the Act) and that an independent examination is needed.

It is my responsibility to:

examine the accounts (under section 43(3)(a) of the Act)

follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 43(7)(b) of the Act); and

state whether particular matters have come to my attention.

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

In connection with my examination, no matter has come to my attention

(1) which gives me reasonable cause to believe that in any material respect the requirements:

to keep accounting records in accordance with section 41 of the 1993 Act; and
to prepare accounts which accord with the accounting records and to comply with
the accounting requirements of the Act
have not been met

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Commander R N Chilcott RN
Retired Royal Navy Supply Officer
Keswick, 6 Langtone Avenue,
LANGSTONE PO9 IRU

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