



THE WHITE ENSIGN ASSOCIATION LIMITED

REPORT OF THE COUNCIL OF MANAGEMENT & AUDITED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2019

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.whiteensign.co.uk

VAT Registered No: 236801470

**"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 30 JUNE 2019

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 30 June 2019. The Report is set out in the format required by SORP 2014 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 on board HMS BELFAST, Tooley Street, London SE1 2JH.

The Trustees

4. The registered Trustees serving continuously between the periods 1 July 2018 to 30 June 2019 were as follows:

Vice Admiral Sir Donald Gosling KCVO: President*
Commander L H L Batchelor RNR*
Mr S A Black
Mr E W Byers
The Lord Carlile of Berriew CBE QC*: Vice-Chairman*
Mrs H Deeble CBE
Lieutenant General Sir Robert Fulton KBE
Captain A P Gosling RNR
Vice Admiral Sir Adrian Johns KCB CBE DL: Chairman*
Captain the Lord Mountevans RNR*
Miss S Murray OBE
Mr James Saunders-Watson DL
Rear Admiral C D Stanford CB*
Admiral Sir Mark Stanhope GCB OBE DL*
Admiral Sir George Michael ZAMBELLAS GCB DSC DL

* Members of the Finance & General Purposes Committee

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Vice Presidents

5. 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
Admiral of the Fleet Lord Boyce KG GCB OBE DL
Mr C J Cazalet MA FCA
Mr S J D Corsan
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 is supported by a Director of Finance (who is also the Company Secretary, Data Protection Manager and Regional Manager for Central England and Scotland), a Director of Employment Services, a Regional Manager South and a Regional Manager South West. 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 decided on an annual basis by the Finance & General Purposes Committee who, led by the member with responsibility for remuneration, consider proposals from the Chief Executive covering salary, travel allowances and any special bonus. It is the current practice to invite external review of the process and wider sector comparison on a five yearly basis through the assistance of a specialist Talent, Reward and Performance organisation and scrutiny of the Croner Charity Awards Survey for the appropriate year.

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 once 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 three times a year and additionally as necessary.

Trustee Policy

14. The selection, induction, reviews and monitoring of trustees is overseen by the F&GPC as part of its remit from the Council. The Chairman has lead responsibility for 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 two members of the Council of Management and welcomed one new trustee.

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 adopt a 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 3 years 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.
<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

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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 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 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.

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- c. Services under a contract with the Second Sea Lord and Chief of Naval Personnel and Training for the provision of lectures on resettlement and financial awareness.
- 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: £400 + VAT or £500 + VAT depending upon size of the company

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

21. The Association had 55 subscribing company members and 147 individual members on 30 June 2019.

ACHIEVEMENTS & PERFORMANCE

Overview

22. During the last year the Association, alongside its usual activity in support of its charitable objectives, has attempted to broaden still further its client base through: the introduction of an open pensions and employment briefing, the first of which was held in HMS NELSON this spring; increasing the size and geographical spread of its panel of professional advisors; and growing the number of industry and charitable partners, which now stands at 56 with potential to expand to around 70. Engagement in the wider armed forces charitable sector has remained an important priority, where amongst other things, the Association has been invited to join the COBSEO Employment Cluster in addition to its' continued membership of the Foreign and Commonwealth Cluster. It continues to actively contribute to a number a cross charity initiatives and consultative bodies within the naval environment and remains one of the few external bodies invited by the MOD to assist in pensions development and communication. The charity's work and impact has also been highlighted to, and celebrated by, a wide audience through several high profile events to mark the 60th Anniversary of the White Ensign Association.

Work Summary

23. Work over the year comprised (2017/18 figures in parenthesis for comparison):

Advice, Assistance and Information: There were 942 (1063) direct requests for assistance or information from members of staff whilst 1228 (1207) individuals registered on the website or asked for help for the first time.

Interviews: 474 (340) personal interviews were conducted.

Visits: 235 (240) visits to ships, units, establishments and individuals were carried out. In addition 110 meetings were held with our commercial and charitable partners

Lectures: 202 (181) lectures were provided to audiences totalling 3581 (3569) people – financial awareness 2046, transition preparation 851 and other topics 684.

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24. The number of clients using WEA resources is similar to last year although we have seen a significant rise in the number of personal interviews and one to one interactions, which seems to be the preferred method of consultation for over half of our active clients and reflects the continued importance of resourcing the approach of offering our assistance on a personal basis, as close to place of work as possible. The split between officers and ratings who use our services has seen a continued, albeit slight, increase in the proportion of enquiries and clients from ratings and other ranks (70%) with a matching reduction of 5% from the officer corps (27%). The split between RN and RM remains just over 3:1 which corresponds to the wider service split between dark blue and lovat. The amount of work undertaken on behalf of non-uniformed clients with veterans, families and dependants has decreased a little to 19%, the bulk of which is associated assistance to veterans.

25. The subject of enquiries to the WEA has remained relatively unchanged with employment related topics forming the single largest proportion (53%). Personal finance and pension questions accounted for 29% with pension queries still the largest area of concern. The remainder of staff activity has been evenly split between more general resettlement issues and broad life challenge including over 5% on divorce and legal issues.

Events

26. The Annual General Meeting was held in London on 15th November 2018.

FINANCIAL REVIEW

Results for the Year

27. The Association increased its revenue in certain areas however, its overall expenditure increased substantially on its Charitable fundraising activities. This combined with a significant reduction in unrestricted donation income resulted in an operating deficit on 30 June 2019 of £239,666. . This deficit was reduced by unrealised gains of £38,366 in investments to leave a retained loss of £201,300.

Balance Between Direct Charitable Costs and Overheads

28. 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

29. The Association's investment policy is to build up over time sufficient reserves to secure its long-term future. Cazenove Capital Management manage all the Association's investment funds with set objectives to preserve the real value of the capital while producing income to finance charitable needs.

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Designated Endowment Fund

30. 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.

31. 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

32. 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 18 month 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 are above the Reserves policy. The Charity's policy on Reserves and their disposal are currently under review.

COUNCIL'S RESPONSIBILITIES

Financial Statements

33. 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

34. 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

35. A resolution to reappoint the auditors, Appleby & Wood, as auditors to the Company will be proposed at the Annual General Meeting.

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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 2019-20 are detailed within the White Ensign Strategic Plan, which is published on the WEA website.

By order of the Council

J P Lavery MVO
Chief Executive

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

THE WHITE ENSIGN ASSOCIATION LIMITED

FOR THE YEAR ENDED 30TH JUNE 2019

Independent Auditors' 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 30th June 2019 which comprises the Statement of Financial Activities, the 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 30th June 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees annual report other than the financial statements and our auditor's report thereon. 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. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Independent Auditors' Report to the members of The White Ensign Association Limited (continued)

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 8 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.

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.

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 Williams
Senior Statutory Auditor
For and on behalf of Appleby & Wood, Statutory Auditor
40 The Lock Building
Stratford
London E15 2QB

Date

THE WHITE ENSIGN ASSOCIATION LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 2019

	Notes	2019 £	2018 £
Income		462,571	362,895
Gains/(Losses) on investments		<u>38,366</u>	<u>(8,946)</u>
		500,937	353,949
Expenditure		<u>(702,237)</u>	<u>(453,523)</u>
Net (expenditure) before tax for the reporting period		(201,300)	(99,574)
Tax Payable		<u>-</u>	<u>-</u>
Net (expenditure) for the financial year		<u>(201,300)</u>	<u>(99,574)</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 15 to 21 form part of these financial statements.

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Statement of Financial Activities for the year ended 30 June 2018

		Unrestricted Funds	
	Notes	Total Funds 2019 £	Total Funds 2018 £
<u>Income and endowments from:</u>			
Donations	2	237,223	261,288
Charitable Activities : Fees		24,570	29,030
Other Trading activities:			-
Subscriptions		23,100	22,850
Investment income		45,762	48,517
Other income		131,916	1,210
Total		<u>462,571</u>	<u>362,895</u>
<u>Expenditure on:</u>			
Raising funds	5	16,784	15,789
Charitable activities	5	623,235	376,276
Other Costs (including publicity)	5	62,218	61,458
Total		<u>702,237</u>	<u>453,523</u>
Net Gains/ (Losses) on investments		<u>38,366</u>	<u>(8,946)</u>
Net (expenditure)		<u>(201,300)</u>	<u>(99,574)</u>
Transfers between funds		-	-
Net movement in funds		<u>(201,300)</u>	<u>(99,574)</u>
Reconciliation of funds:			
Total funds brought forward		<u>1,657,935</u>	<u>1,757,509</u>
Total funds carried forward at 30th June 2019	10	<u><u>1,456,635</u></u>	<u><u>1,657,935</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 15 to 21 form part of these financial statements.

THE WHITE ENSIGN ASSOCIATION LIMITED

Balance Sheet as at 30 June 2019

Company No. 00606887

	Notes	Total Funds 2019		Total Funds 2018	
		£	£	£	£
Fixed assets					
Tangible assets	6		-		-
Investments	7		<u>1,355,188</u>		<u>1,644,533</u>
Total fixed assets			1,355,188		1,644,533
Current assets					
Debtors	8	29,691		4,630	
Cash at bank and in hand		<u>109,064</u>		<u>40,370</u>	
Total current assets		138,755		45,000	
Creditors: amounts falling due within one year	9	<u>(37,308)</u>		<u>(31,598)</u>	
Net current assets			<u>101,447</u>		<u>13,402</u>
Total net assets or liabilities			<u><u>1,456,635</u></u>		<u><u>1,657,935</u></u>
General funds	10		1,456,635		1,657,935
Restricted funds	10		<u>-</u>		<u>-</u>
Total charity funds			<u><u>1,456,635</u></u>		<u><u>1,657,935</u></u>

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 20 September 2019 and were signed on its behalf by:

Vice Admiral Sir Adrian Johns KCB CBE DL
Chairman & Member of the Council of Management

Lord Carlile of Berriew CBE QC
Vice Chairman & Member of the Council of Management

The notes on pages 15 to 21 form part of these financial statements.

THE WHITE ENSIGN ASSOCIATION LIMITED
Notes to the financial statements – 30 June 2019

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 year ending 30th June 2019 with the comparatives for the year ending 30th June 2018 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 – 30 June 2019

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

The Association does not operate a pension scheme but contributes towards an individual's 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 2015.

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

	2019 Number	2018 Number
The average monthly number of persons employed during the year was:	<u>6</u>	<u>6</u>

The emoluments of one employee exceeded £100,000

The emoluments of two employees exceeded £60,000

	2019	2018
Staff costs (for the above persons):	£	£
Wages and salaries (including holiday pay provision)	330,555	315,103
Social security costs	37,609	36,266
Pension costs	15,290	12,646
	<u>383,454</u>	<u>364,015</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 £191,713 in the year. (2018: £187,791)

THE WHITE ENSIGN ASSOCIATION LIMITED

Notes to the financial statements – 30 June 2019

5 Analysis of total resources expended(*)

	Cost of Raising Funds £	Activities on the Charity's Objects £	Other Costs £	Total 2019 £	Total 2018 £
Staff costs (inc pensions)	15,338	337,440	30,676	383,454	364,015
Communications (incl IT, Printing, Postage)	-	9,850	3,284	13,134	19,633
Rent, rates, light & heat	-	8,011	3,434	11,445	12,703
General expenses	-	-	676	676	1,740
Travel/Corp Hosting/Training	1,446	24,842	-	26,288	24,554
Events	-	243,092	-	243,092	8,365
Auditors remuneration	-	-	4,065	4,065	3,335
Depreciation	-	-	-	-	-
Investment Fund Management Fee	-	-	7,711	7,711	6,318
Bank Charges	-	-	61	61	61
Insurance	-	-	1,650	1,650	1,701
Public relations	-	-	10,661	10,661	11,098
	<u>16,784</u>	<u>623,235</u>	<u>62,218</u>	<u>702,237</u>	<u>453,523</u>

(*) 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 – 30 June 2019

6	Tangible fixed assets	2019	2018
		£	£
		Office	Office
		Equipment	Equipment
		£	£
	Costs		
	As at 1 July 2018	28,918	28,918
	Additions	-	-
	Disposals	-	-
		<hr/>	<hr/>
	As at 30 June 2019	<u>28,918</u>	<u>28,918</u>
	Depreciation		
	As at 1 July 2018	28,918	28,918
	Disposals	-	-
	Charge for year	-	-
		<hr/>	<hr/>
	As at 30 June 2019	<u>28,918</u>	<u>28,918</u>
	Net book value		
	30 June 2019	-	-
	30 June 2018	-	-
7	Fixed asset investments		
	Classification of investments at market value:	2019	2018
		£	£
	Fixed interest - Bonds	172,464	200,205
	Equities (mainly common investment funds)	1,082,724	1,394,328
	Cash held as part of investment portfolio	100,000	50,000
		<hr/>	<hr/>
		<u>1,355,188</u>	<u>1,644,533</u>

The acquisition costs of the above investments were £1,148,564 (2018: £1,382,027)

THE WHITE ENSIGN ASSOCIATION LIMITED

Notes to the financial statements – 30 June 2019

	2019 £	2018 £
8 Debtors		
Membership Fees	1,300	2,200
Other Debtors:		
Pre-paid rent	10,786	-
Pre-paid travel	2,638	-
Lecture Fees	-	2,430
Event Paid in advance	14,967	-
	<u>29,691</u>	<u>4,630</u>
9 Creditors- amounts falling due within one year		
	2019 £	2018 £
VAT creditor	2,136	923
Holiday pay entitlement	31,296	24,108
Other creditors	3,876	6,567
	<u>37,308</u>	<u>31,598</u>

THE WHITE ENSIGN ASSOCIATION LIMITED

Notes to the financial statements – 30 June 2019

10 (a) Analysis of funds balances

	2019 £	2018 £
Unrestricted funds	676,635	877,935
Restricted funds	-	-
Designated funds	780,000	780,000
	<u>1,456,635</u>	<u>1,657,935</u>

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

	Restricted Funds £	Unrestricted Funds £	Designated Funds £	Total £
As at 1 July 2018	-	877,935	780,000	1,657,935
Net Movement in general funds	-	(201,300)	-	(201,300)
As at 30 June 2019	-	676,635	780,000	1,456,635

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund Balances at 30 June 2019 are represented by	Unrestricted Funds £	Designated Funds £	2019 £	2018 £
Tangible fixed assets	-	-	-	-
Investments	575,188	780,000	1,355,188	1,644,533
Current assets	138,755	-	138,755	45,000
Current liabilities	(37,308)	-	(37,308)	(31,598)
Total Net Assets	<u>676,635</u>	<u>780,000</u>	<u>1,456,635</u>	<u>1,657,935</u>

12 Net movement in funds

	2019 £	2018 £
This is stated after charging:		
Audit fees (including VAT)	3,876	3,150
Depreciation of fixed assets	-	-
	<u>3,876</u>	<u>3,150</u>

THE WHITE ENSIGN ASSOCIATION LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30TH JUNE 2019

<u>Statement of cash flows</u>	Total funds 2019 £	Prior year funds 2018 £
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	(304,779)	(141,923)
Cash flows from investing activities:		
Dividends, interest and rents from investments	45,762	48,517
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	-	-
Movement in investments	327,711	37,581
<i>Net cash provided by (used in) investing activities</i>	<u>68,694</u>	<u>(55,825)</u>
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>	<u>68,694</u>	<u>(55,825)</u>
<i>Change in cash and cash equivalents in the reporting period</i>	68,694	(55,825)
Cash and cash equivalents at the beginning of the reporting period	40,370	96,195
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash and cash equivalents at the end of the reporting period	<u>109,064</u>	<u>40,370</u>
<u>Reconciliation of net income/(expenditure) to net cash flow from operating activities</u>		
<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	(201,300)	(99,574)
Adjustments for:		
Depreciation charges	-	-
(Gains)/Losses on investments	(38,366)	8,946
Dividends, interest and rent from investments	(45,762)	(48,517)
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in stocks	-	-
(Increase)/decrease in debtors	(25,061)	27,334
Increase/(decrease) in creditors	5,710	(30,112)
<i>Net cash provided by (used in) operating activities</i>	<u>(304,779)</u>	<u>(141,923)</u>
<u>Analysis of cash and cash equivalents</u>	Total funds 2019	Prior year funds 2018
Cash in hand	109,064	40,370
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
Total cash and cash equivalents	<u>109,064</u>	<u>40,370</u>