

IX (B) Squadron Association

Report and Financial Statements

Year Ended

31 March 2015

Registered Charity Number 1153852



IX (B) Squadron Association

Report of the trustees for the year ended 31 March 2015

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Board of Trustees

Michael Milligan (Retired 1 Jan 2015)	Chair
Nicholas Hay (Appointed 1 Jan 2015)	Chair
Andy Turk (Appointed 1 Jan 2015)	Vice Chair
Stuart Peach (Retired 1 Jan 2015)	President
Stuart Evans (Appointed 1 Jan 2015)	President
Alan Ferguson	Vice President
Richard James (Retired 1 Jan 2015)	Treasurer and Secretary to the
Paul Lenihan (Appointed 1 Jan 2015)	Treasurer
Andrew Holland (Appointed 1 Jan 2015)	Secretary to the Board

Advisory Members to the Board

Ian Sharrocks	Officer Commanding IX(B)
Dean Wood	Warrant Officer IX(B) Squadron
Robert Swanson	Deputy Secretary

Era Secretaries

Lancaster	– Harry Irons
Lincoln	– Harry Brittlebank
Canberra	– Michael Milligan
Vulcan	– Alan Ferguson
Tornado	– Richard James

Charity number

1153852

IX (B) Squadron Association

**Report of the trustees
for the year ended 31 March 2015 (*continued*)**

Registered Address

	Mr Paul Lenihan
	Royal Air Force Marham
	Marham
	King's Lynn
	Norfolk
	PE33 9NP
Telephone no:	01206835171
Email:	association.sec@9sqn.co.uk
Website:	http://www.9sqn.co.uk/

Independent Financial Advisor

Finance Manager, Action Duchenne Limited Epicentre, 41 West Street, London, E114LJ

Bankers

Bank of Scotland, 33 Old Broad Street London Branch PO Box 1000, BX2 1LB

IX (B) Squadron Association

Report of the trustees for the year ended 31 March 2015 (continued)

Introduction

2014/15 has been a year of unprecedented activity for the Charity. Its year was spent in the preparation for, and the delivery of, the Centenary celebrations for IX (B) Squadron, its personnel, Association members, families and supporters. This significant event saw 50 IX(B) Squadron members and 105 Association Members departing the UK on the 8 & 9 December 2014. The weekend celebration saw memorial services at St Omer, Mendingham Military Cemetery and the Menin gate at Ypres. The Association continued its annual memorial service at Bardney Airfield to commemorate those fallen in Service of the Squadron.

The Association

Formed in 1975, the Association was formed from the backbone of Second World War veterans who had been meeting informally in London from 1966. The Association grew in numbers, encompassing the era of aircraft flown by the Squadron and, due to its increased membership and diverse activities applied for, was granted charitable status in 2013.

Impact and achievements for the public benefit

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the guidance published by the Charities Commission. In line with the Memorandum and Articles of Association, the Charity's aims for the last year were:

To promote the efficiency of the RAF by preserving its traditions and esprit-de-corps

- The Charity was central to the planning and execution of the Centenary Celebrations. Planning and delivery was led by the Charity's vice-president and encapsulated the needs and traditions of the deployed Squadron such that it could seamlessly merge into the association plan for the event.

To maintain contact with past members of the Squadron.

- The Charity has membership list of over 414 members. These comprise active and retired members of the squadron, their spouses and supporters. It also contains members who have no service background, but have become members through the camaraderie displayed by the Association. Of this membership, there are 180 wholly active members with the remainder semi or intermittently active within the association.
- The Association also publishes an annual booklet which highlights Association and Squadron Activity. This is distributed to all Association members and is made available to the general public.

To educate and inform the general public about the work of Bomber Command, Strike Command, Air Command and their subordinate formations,

- The Association continues to fund and promote its web site. Listed here is all association meeting notices, history and research posts. It contains archives of historical and current aircraft and posts articles from historians, Association and Squadron members.

To make grants to, and supporting charities, projects or appeals associated with the above commands.

- The Association made no grants in this FY.

Trustees' Responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Charity law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the results of the company for that period. In preparing those accounts, the Trustees are required to: select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; and prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

IX (B) Squadron Association

Report of the trustees for the year ended 31 March 2015 (*continued*)

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Trustees are aware, there is no relevant audit information (information needed by the Charity's financial assessor in connection with preparing this report) of which the Charity's assessor is unaware;

Each Trustee has taken all the steps that he or she ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the company's assessor is aware of that information.

The Trustees have overall responsibility for ensuring that the Charity has appropriate systems of internal control across the whole organisation. These systems of internal control, put in place by the Trustees, are designed to provide reasonable but not absolute assurance against material misstatement or loss and include:

- The Charity's treasurer keeps full accounting records of all financial records and provides copies of the bank statements at regular intervals.
- Consult with the trustees before making any financial transactions.
- Provide an annual set of accounts.
- Ensuring that the Charity submits Annual Reports to the Charity Commission and Companies House in line with current standard reporting procedures.

The Board of Trustees of the Association shall meet no less than once a year: a trustee can serve no longer than 5 years and all must be re-elected at each and every AGM.

Management of Risk

The Trustees manage risk through governance (formal Committee meetings, e-mail correspondence) and close control of any expenditure.

Grant Making Policy

The Association sets all grant making against the requirements of its financial security and the needs of the grant applicant. To date, no grants have been approved.

Trustee Training and Induction

New and current Trustees are briefed on their legal obligations under charity and company law, the content of the Constitution of the committee and decision making processes. This includes the delivery of Charity Commission publications explaining their role.

IX (B) Squadron Association

Financial Review for the year ended 31 March 2015 (*continued*)

Financial review

Financial Year 2014/15 saw unprecedented activity on the account: this wholly attributable to the Association attending the centenary celebrations for IX (B) Squadron. Income exceeded expenditure resulting in a surplus of £10612.75 (2012/13: surplus of £10476.00).

Income was £33268.50; up from £19775.90 last year. A key factor in this increase is the association's members, friends and families attending IX (B) Squadron's centenary celebration. Investment in additional resources to fund a memorial at the National Arboretum also saw additional funds being received into the account.

Expenditure on charitable activities was £31920 in the year, including allocated support costs. This represents 93% of total expenditure. Of this, £24300.00 was spent on the Centenary celebration (as opposed to £23023.50 of income attributed to it). The expense allocated against the annual dinner and parade of remembrance £6831.97 (as opposed to 2013/14 £8925.37).

Reserves

The treasurer, on behalf of the Board of Trustees, monitors the level of unrestricted and restricted reserves in the general fund: a first for the Charity. This is based on the expected charity expenditure which is aimed at providing cover to provide:

- Sufficient funds to book and deliver the association's annual dinner and memorial service.
- Restricted funds to provide for a memorial at the National Arboretum.
- To allow the Charity to meet its objectives.
- To ensure the General funds are allocated to meet the Charity's Aims and Objectives.

Unrestricted reserves are £9612.75, down from £10612.75 in March 2014 and restricted reserves are £1000.00 (2014: £0). The unrestricted reserves exceed the minimum required under the policy.

Plans for the future

In addition to continuing the much valued existing activities, particularly in providing information and support for association members, their families and the general public, the Association seeks to raise over £15 000 to provide a memorial at the National Arboretum.

Independent External Assessment

All of the trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Charity's external assessors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Signed on behalf of the Board of Directors on

P Lenihan

IX (B) Squadron Association

Independent External Review for the year ended 31 March 2015 (*continued*)

Independent External Assessment

The independent assessor noted that handover of the treasurer's responsibilities was conducted prior to end of the financial year and, as such, found it difficult to fully assess the accounts. There were no monthly records on handover, with accounts only being prepared at the end of the financial year. Expenditure and income were recorded in hard copy only, on separate sheets and forms with no monthly reconciliations having being undertaken. The assessor also acknowledged that this was an exceptionally small military charity that had undertaken to process the transactions associated with a major overseas event, hence the unprecedented levels of cash transactions on the account. Previous years accounts were made available and it could be seen that the normal turnover on the account was sub £11000 per annum. The assessor felt that the previous treasurer may not have been sufficiently trained/skilled to manage such a large turnover. The assessor noted the following:

In general, the accounts as presented did not follow accounting best practices and, as such, monthly and fully reconciled accounts were not presented to the board for ratification and approval. It is noted that the Association's Constitution only requires the treasurer to forward bank statements to the board. There is no evidence of this occurring and it is suggested it is of little value without appropriate accounts from which the board can determine its financial state. In mitigation, the board was content that the overseas event was delivered with appropriate due diligence as all the paperwork associated with this event were presented and could be fully reconciled. All other transactions on the account met with the normal activity and therefore it appears the board was content with the level of governance it offered.

It is understood that the Association will see a similar level of activity during the next FY and thus the assessor therefore strongly recommends that the board ensures that:

1. Monthly accounts are prepared by the treasurer and approved by the Chair of the board.
2. All cash transactions are appropriately recorded and independently verified for accuracy.
3. No payments be made without full invoice evidence of expenditure.
4. As well as monthly accounts, the treasurer prepares quarterly financial returns for presentation to the board for approval.
5. That the treasurer accurately allocates income and expenditure to appropriate events as the current accounts, as they stand, represent an amalgamation of income that is allocated to an event with little or no evidence as to whether the funds are for membership, or event income or expenditure.
6. That appropriate and consistent governance is applied for the authorisation of expenditure of funds. The assessor notes that 2 signatories are required for cheque authorisation, but only one is required for internet banking. With no budget allocated to events and with no financial authority granted to the treasurer per se, the assessor noted the level of trust afforded to the treasurer but recommends that the board either adds a further signatory to the internet banking account or it issues an appropriate letter of financial delegation to the treasurer.
7. It was noted that significant expenses were repaid to the previous treasurer. All were appropriate to charitable activity and all contained receipts, or board approval of expenditure, but it is recommended that this is not best practise and the Charity should invoice for services provided rather than rely on the treasurers private account.
8. the treasurer reclaims the outstanding gift aid to the Charity.

In its audit, the independent assessor is content that the incoming treasurer is more conversant with modern accounting practices and that all of the above issues should not be evident in the forthcoming financial year. The assessor all acknowledges the significant levels of transactions in this reporting period are due wholly to a large event and that this may well have overwhelmed the previous treasurer's skills. The auditor notes that there will be a further year of high level of income and expenditure as the Charity seeks funding for its memorial: to that end, the Charity must ensure that it employs best accounting practices for the FY 2014/15.

The assessor is therefore content that the accounts as presented are an accurate record of the 2014/15 FY for the Association. However, the assessor notes that there were many poor accounting practices that must be improved upon in the following FY.

K Ferguson
Finance Manager
Action Duchenne Ltd

IX (B) Squadron Association

Balance sheet for the year ended 31 March 2015 (*continued*)

STATEMENT FOR PERIOD

INCOME	£	EXPENDITURE	£
Balance Brought Forward	10476.00	TABS Booklets	367.00
Association Subscriptions	1737.00	Postage	330.63
Legacies and Donations	60.00	Website	370.00
Reunion Weekend	5900.00	Reunion Mess Charges	6399.17
Reunion Raffle	805.00	Reunion Wine	432.80
St Omer	23023.50	St Omer	23346.50
Advertising	200.00	Assn Bill for St Omer	683.50
Bank Interest	3.00	Reunion Raffle Prizes	140.00
Remembrance Day Meal	520.00	Remembrance Day Meal	673.28
Shop Sales	20.00	Cttee Expenses	188.87
RAF Memorial	1000.00	Centenary Dinner	200.00
Sub total		Sub Total	33131.75
		Balance Carried Forward	10612.75
Total	43744.50	Total	43744.50