

WARDROOM MESS

HMS SEAHAWK

ANNUAL REPORT AND FINANCIAL STATEMENTS

For Period

1 May 2022 to 30 April 2023

Registered Charity No. 1128507

Trustees' Annual Report and Comments

Wardroom Mess HMS Seahawk

Charity Registered No: 1128507

Covering the Accounting Year: 1 May 2022 to 30 April 2023

Address: RNAS Culdrose
Helston
Cornwall
TR12 7RH

Governing Document: Constitution (Mess Rules)

Object: Promotion of the Military Efficiency and Operational Effectiveness of the Armed Forces by the provision of mess facilities to Commissioned Officers serving in the Her Majesty's Ship Seahawk.

Trustee: Captain S Finn Royal Navy (to 14 July 2022)
Captain S Irwin Royal Navy (from 15 July 22)

Trustee selection method: Appointed as such by the Naval Secretary.

Bankers: Lloyds TSB
Market Place
Helston
Cornwall

Independent Examiner: M L Butcher FMAAT
5 Nursery Road
Havant
Hants PO9 3BG

Activities and Achievements: To have resources available for expenditure on improvements to the quality of life, and the engenderment of esprit de corps. The mess put on a full social programme for its members supported by generous subsidies have been provided to functions.

Financial Review: The normal activities of the mess had lost £27.4K over the year. There were four main reasons for this loss:

- Function subsidies that were not covered by trading profits - £45.3K.
- Additional VAT bill - £5.6K.
- Offset by military subscriptions exceeding running costs by £20.2K.
- Offset by minor incomes totalling £3K.

On the other hand, the property revaluation exercise had increased the value of non-depreciating property by £63K. Overall the net worth of the fund had increased by £34.6K to £230.2K. £125.6K was held in property and stocks. Deposit and bank assets of £110.2K more than covered the £19.7K of liabilities.

Investment Selection Policy:	No investments are held.
Financial Reserves Policy:	The Trustee has considered the level of reserves appropriate to the charity's needs. This is set at £62.1K and is held in a deposit account. The Trustee aims to ensure that the charity will be able to fulfil its charitable objectives even if there is a temporary shortfall in income and unexpected expenditure. The Trustee will endeavour not to set aside funds unnecessarily.
Grant Policy:	Grants may be made to mess members to assist with the personal contributions to sporting, adventurous training, or other activities.
Risk Assessment:	The Trustee reviews the major risks to which the charity is exposed, and systems have been established to manage those risks and believes that by maintaining the free reserves stated it would provide sufficient resources in the event of adverse conditions. Half yearly independent examination of the accounts will mitigate the risk of any mismanagement by the mess committee.
Public Benefit Statement:	This fund provides public benefit by assisting Service personnel to perform their roles more effectively within the Armed Forces of the Crown. It does this by providing and supporting mess facilities, and social activities. This assistance enables Service personnel to face the challenges and danger associated with military service by developing and maintaining teamwork, spirit and attitude, and morale. As a result, the fund promotes the efficiency of the Armed Forces of the Crown by enhancing the Royal Navy's and Royal Marines' capability to undertake the roles demanded of it including the defence of the United Kingdom and its interests.

I confirm that I have paid due regard to the Charity Commission of England and Wales's guidance on public benefit when deciding what activities, the charity should undertake.

Declaration:

I declare, in my capacity of Charity Trustee, that I have approved the above report.

Signature	<i>Signed on Original</i>
Name	Captain S Irwin Royal Navy.
Appointment	Commanding Officer and Sole Managing Trustee
Date	20 June 2023

Independent Examiner's Report to the Trustee of the HMS Seahawk Wardroom Mess. (Charity Registration No 1128507)

I report to the trustee on my examination of the accounts of the Charity for the year ended 30 April 2023

Responsibilities and basis report

The charity's trustee is responsible for the preparation of the accounts. The charity's trustee considers that an audit is not required for this year under section 144(2) of the Charities Act 2011 (The Charities Act) and that an independent examination is needed.

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination, I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's qualified statement

I have completed my examination; I confirm that no material matters have come to my attention which gives me cause to believe that in any material respect:

- The accounting records were not kept in accordance with section 130 of the Charities Act; or
- The accounts did not accord with the accounting records; or
- The accounts did not comply with the applicable requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than in any requirement that the accounts give a "true and fair" view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed on Original

M L Butcher FMAAT
5 Nursery Road
Havant
Hants PO9 3BG

20 June 2023

RNAS CULDROSE WARDROOM MESS FUND

REGISTERED CHARITY No 1128507

BALANCE SHEET

30-Apr-23

Note

ASSETS

30-Apr-22

Fixed Assets

Mess Property	7	£ 119,866.05	£ 60,434.22
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Current Assets

Stocks at Cost:	7A	£ 5,788.75	£ 9,833.91
Mess Bills & Function Payments Due		£ 12,927.24	£ 5,257.16
Misc Debts & Prepayments	8	£ 1,131.00	£ 951.09
Charity Deposit Account		£ 62,101.62	£ 90,533.42
Bank Accounts		£ 48,051.66	£ 43,188.00
Cash & Floats		£ -	£ 137.95
Total Current Assets		<u>£ 130,000.27</u>	<u>£ 149,901.53</u>

LIABILITIES

Creditors	9	£ 9,074.10	£ 2,947.57
Squadron & Other Funds	10	£ 9,650.71	£ 10,908.66
Charity Chest		£ 421.30	£ 174.70
VAT		£ 557.32	£ 703.25
Current Liabilities		<u>£ 19,703.43</u>	<u>£ 14,734.18</u>

Net Current Assets	£ 110,296.84	£ 135,167.35
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Net Assets	<u><u>£ 230,162.89</u></u>	<u><u>£ 195,601.57</u></u>
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Approved on 20 June 2023

Signed on Original

Captain S Irwin Royal Navy
Sole Managing Trustee

RNAS CULDROSE WARDROOM MESS FUND

STATEMENT OF FINANCIAL ACTIVITIES

For year to 30 Apr 23

	<i>Note</i>	<i>Previous Year</i>
Income		
Charitable Activities	£ 223,499.47	£ 132,784.52
Investment Income	<u>£ 1,719.20</u>	<u>£ 99.57</u>
Total Income	3 <u>£ 225,218.67</u>	<u>£ 132,884.09</u>
Expenditure		
Charitable Activities	£ 252,658.34	£ 122,114.80
Total Expenditure	4 <u>£ 252,658.34</u>	<u>£ 122,114.80</u>
Net Income/(Expenditure)	£ (27,439.67)	£ 10,769.29
Property Re-Valuation	£ 62,299.98	£ -
Previous Year Corrections	£ (298.99)	£ -
Total Funds Brought Forward	£ 195,601.57	£ 184,832.28
Total Funds Carried Forward	<u>£ 230,162.89</u>	<u>£ 195,601.57</u>

RNAS CULDROSE WARDROOM MESS FUND

Notes to the Accounts dated 30 April 2023

Note 1 - Accounting policies

a. The financial statements are prepared under the historic cost convention (as modified by the revaluation of fixed asset investments) and in accordance with applicable accounting standards: Charities Statement of Recommended Practice, UK Accounting Standards and the Charities Acts.

Incoming resources

- a. Donations are included in the Statement of Financial Activities (SOFA) when the fund becomes entitled to the donation or grant and it is reasonably certain that it will be received.
- b. Incoming resources from fund raising are reported gross in the SOFA
- c. Intangible income is not included in the accounts.
- d. The fund receives no unpaid volunteer help.
- e. Interest is included in the accounts when receivable.

Expenditure and liabilities

- a. Liabilities are recognised as soon as there is a legal or constructive obligation committing the fund to the expenditure.

Assets

- a. Paintings, furniture, works of art, silver and books were valued 2011.
- b. Depreciating fixed assets are capitalised if they can be used for more than one year and cost at least £50. They are valued at cost or a reasonable value on receipt. Depreciation is straight line over the estimated life of the item. Depreciation is not allocated to activity costs as the use is varied.
- c. Stocks are valued at the lower of cost or market value.

Note 2 - Investments

No longer held.

Note 3 - Income

Year to Apr 22

Charitable Activities

Mess Subscriptions	£ 51,602.53	£ 37,233.93
Entertainment Levy	£ -	£ 8,975.84
Associate Subscriptions	£ 4,847.62	£ 3,837.25
Function Income	£ 103,560.11	£ 23,763.28
Bar Sales	£ 43,813.65	£ 37,681.64
Christmas Draw Income	£ 18,357.81	£ 20,998.08
Admin Charges	£ 130.00	£ 87.50
Cufflinks/Enterprise	£ 23.75	£ 65.00
Dog Deposits	£ 854.00	£ 122.00
Dog Waste	£ 310.00	£ -
Misc Income	£ -	£ 20.00
	£ 223,499.47	£ 132,784.52

Investment Income

Bank Interest	£ 1,719.20	£ 99.57
Total Income	£ 225,218.67	£ 132,884.09

Note 4 - ExpenditureYear to Apr 22Charitable Activities

Operating Costs

Function expenses from Tickets	£ 103,560.11	£ 23,763.28
Functions expenses from Subsidy	£ 61,910.18	£ 20,999.16
Bar Expenses	£ 32,087.64	£ 27,563.99
Additional VAT on Subsidy	£ 5,637.72	£ -

Running Costs

Coffee	£ 4,602.40	£ 4,601.65
Biscuits	£ 1,028.55	£ 1,102.86
Milk	£ 817.05	£ 627.21
TV and Video	£ 7,596.75	£ 6,027.13
Dining Hall Extras	£ 769.81	£ -
Insurances	£ 955.52	£ 1,319.30
Trophy Hire	£ 245.84	£ 243.16
Mess Guest/Entertainment	£ 1,093.22	£ 1,677.59
Mess Flowers	£ 159.50	£ 10.05
Grants/Donations	£ -	£ 1,000.00
Performing Rights Society/PPL	£ 685.06	£ 321.25
Repairs & Renewals	£ 2,605.15	£ 1,630.17
Christmas Decorations	£ -	£ 274.98
Christmas Draw Prizes	£ 18,357.81	£ 20,998.08
Dog Bin Expenditure	£ 180.00	£ 258.00
Bouncy Castle/Popcorn/Candy Floss	£ 589.31	£ 453.88
Newspapers & Periodicals	£ 90.98	£ 255.07
Postage/Telephone	£ 235.20	£ 49.88
Leaving Gifts/Flowers	£ 100.00	£ -
RCYC Membership	£ 375.00	£ 358.00
Cufflinks/Enterprise	£ 251.25	£ -
Travel	£ 40.01	£ 60.12
Misc Expenses	£ 23.64	£ 480.09

Governance Costs

Property Valuation Costs	£ 1,132.20	£ -
Examination of Accounts	£ 1,360.00	£ 1,330.00

Support Costs

Office Costs	£ 397.50	£ 35.71
BACS/Bank Charges	£ 1,723.28	£ 1,699.16
Mess Bill write off	£ 13.45	£ 13.90
Property Depreciation	£ 4,034.21	£ 4,961.13

£ 252,658.34

£ 122,114.80

Total Expenditure

£ 252,658.34£ 122,114.80**Note 5 - Paid Employees**

- a. There were no paid employees.

Note 6 - Trustees and Other Related Parties

- a. No expenses or emoluments have been paid to the sole Managing Trustee
b. There are no amounts due to or from the sole Managing Trustee

Note 7 - Tangible Fixed Assets - Property Account

Depreciating Property

As at 30 Apr 22	£ 13,674.88
Additions	£ 1,166.07
Depreciation/Disposals	£ (4,034.22)
As at 30 Apr 23	<u>£ 10,806.73</u>

Non Depreciating Property

As at 30 Apr 22	£ 46,759.34
Re-Valuation	£ 62,299.98
As at 30 Apr 23	<u>£ 109,059.32</u>

Note 7A - Stocks

Bar/Cellar	£ 5,788.75
	<u>£ 5,788.75</u>

Note 8 - Prepayments, Misc Debtors

Insurance prepaid	£ 180.00
CCLA Interest	£ 213.00
TV Licence	£ 119.00
PRS/PPL	£ 619.00
	<u>£ 1,131.00</u>

Note 9 - Creditors

Siemens - Coffee	£ 1,296.00
Trophy Hire	£ 21.00
Additional VAT on Subsidy	£ 5,637.72
LWC Cornwall - Bar	£ 1,018.98
Sky	£ 410.40
PNIE	£ 690.00
	<u>£ 9,074.10</u>

Note 10 - Held for Other Funds

Civilian Accom	£ 608.37
PAYD	£ 18.77
Exchange Service/Entitled Overseas Accom	£ 216.60
750 NAS	£ 155.00
814 NAS	£ 602.00
820M NAS	£ 611.00
824 NAS	£ 616.00
ATC Social Fund	£ 115.00
Plumbers Union	£ 130.00
NET Accommodation	£ 10.60
HoDs Fund	£ 1,985.11
Christmas Draw	£ 4,582.26
	<u>£ 9,650.71</u>

Note 11 - Declarations

- a. The fund does not have any material commitments not provided for in the accounts
- b. The fund has not given any guarantees to any third party that could be called on at the year end.
- c. The fund has not granted any loans.
- d. The fund did not make any ex gratia payments during the year.

Declarations

- The Trustee has not changed the year end date nor the length of the fund's financial year
- All the fund's operations are continuing operations and there were no discontinued operations.
- No funds are in deficit.
- The fund has no marketable intangible assets
- There were no interfund loans outstanding at the balance sheet date.
- None of the funds functional assets have been revalued during the year and the fund does not have a policy of revaluation of these assets.
- The fund has no material fixed assets which have not been capitalised and included in the Balance Sheet.

Bar Trading for year ended 30 Apr 23

			<u>Previous Year</u>
Sales	£ 39,390.45		£ 33,890.27
Sales at Cost	<u>£ 4,423.20</u>		<u>£ 3,791.37</u>
	£ 43,813.65		37,681.64
Opening Stock	£ 9,793.11	£ 7,731.85	
Purchases	<u>£ 26,468.33</u>	<u>£ 27,732.48</u>	
	£ 36,261.44	£ 35,464.33	
Less Closing Stock	<u>£ (5,788.75)</u>	<u>£ (9,793.11)</u>	
Cost of Sales	£30,472.69		£25,671.22
Gross Profit	£ 13,340.96 30%		12,010.42 32%
Less			
Bar Equipment	£ 915.28	£ 1,197.57	
Spillage & Ullage	£ 682.25	£ 692.22	
Stock Write Off	<u>£ 17.42</u>	<u>£ 2.98</u>	
	£ 1,614.95		£ 1,892.77
Net Profit	<u>£ 11,726.01 30%</u>		<u>£ 10,117.65 30%</u>

PN INDEPENDENT EXAMINATIONS

5 Nursery Road
Havant
Hants
PO9 3BG

☎ 07801 064450

The Commanding Officer
RNAS Culdrose

24 May 23

THE WARDROOM MESS FUND – EXAMINATION AND ACCOUNTS FOR THE YEAR ENDING 30 APR 23

1. The examination of the Wardroom Mess fund for the year to 30 Apr 23 has been completed satisfactorily. Two copies are provided for approval by the Managing Trustee, one copy is to be retained centrally and the other is to be made available to mess members. A draft copy of the Trustee's Annual Report (TAR) is also enclosed.
2. After approval by the Commanding Officer, as sole managing trustee, PDF copies of the TAR and the accounts (which are supplied by PNIE) should be uploaded onto the Charity Commission website.
3. The wardroom building was condemned, and the mess was re-located to the upstairs area of the WOSR mess building. The messes have separate areas, and the arrangement is reported to work very well.

Accounts

4. Mr Creed, the Treasurer, has an excellent understanding of all aspects of the Wardroom accounts. This knowledge considerably helps the process of examining and preparing the annual accounts. All the relevant documentation and information was provided.
5. The bar was mustered by the Bar Manager and Mr Creed, but property was not independently mustered. As the mess holds no cash, there was no need for an independent count.
6. The mess held £62.1K in a COIF Charity Deposit Account earning £1.7K from the interest rate that had risen to 4.1% by Apr 23.

Property

7. Non-depreciating property (artwork, artefacts, silver etc) was professionally re-valued and this increased its worth by 133% to £109.1K. The depreciating property was worth £10.8K after depreciation. The register is kept on the Sage Accounts package and is efficiently maintained by Mr Creed.

Mess Debtors

8. There was just one outstanding mess bill, which had subsequently been paid. This was an impressive achievement.

Subscriptions

9. Military subscriptions income was £51.6K which was an increase of £14.4K over the previous year. This more than covered the running costs of £31.4K.

10. Associate and civilian subscriptions had increased by £1K to £4.8K.

The Bar

11. Bar sales had increased by £6.1K to £43.8K leading to a net profit of £11.7K (30%) compared to the £10.1K seen in the previous year. The stock held was valued at £5.8K, a more realistic stock holding when compared to nearly £10K last year.

12. The Bar Manager, Mr Rutterford, was doing a good job with continual monitoring of the cost and retail prices and stock rotation, whilst providing all the relevant documentation to the Treasurer.

Subsidies

13. There will be an additional VAT bill to pay because the function subsidies were part funded from military subscriptions. This year the trading income (bar profit and associate member subscriptions) totalled nearly £16.6K whilst the subsidy on functions was exceptionally high at £61.9K. On the other hand, £11.5K of the two previous years' trading income was not used for subsidies and this sum can be added to this year's trading income to make £28.1K. This means there will be an additional VAT bill of £5.6K to pay on that part of the subsidy, £33.8K, which came from subscriptions and other untaxed income.

Other Activities

14. Annual trophies hire cost £216. However, the mess also pays £30 for the Captain's House trophies. The mess committee chooses not to insure these items and accepts the risk.

- Wardroom – 64 items worth £80.6K.
- Captain's House – 6 items worth £10K.

15. The Christmas Draw income exceeded the cost of the prizes by £4.5K and so this will be carried over to the Dec 23 draw. Total cost of the Dec 22 draw was £18.4K.

Summary

16. The normal activities of the mess had lost £27.4K over the year. There were four main reasons for this loss:

- Function subsidies that were not covered by trading profits - £45.3K.
- Additional VAT bill - £5.6K.
- Offset by military subscriptions exceeding running costs by £20.2K.
- Offset by minor incomes totalling £3K.

17. On the other hand, the property revaluation exercise had increased the value of non-depreciating property by £63K. Overall the net worth of the fund had increased by £34.6K to £230.2K.

18. £125.6K was held in property and stocks. Deposit and bank assets of £110.2K more than covered the £19.7K of liabilities.

M L Butcher
PN Independent Examinations

Information:

Mess President
Mess Treasurer