

WARRANT OFFICERS' and SENIOR RATES' MESS

HMS DRAKE

ANNUAL REPORT AND FINANCIAL STATEMENTS

For Period

1 August 2021 to 31 July 2022

Registered Charity No. 1129026

Trustees' Annual Report and Comments

Warrant Officers' and Senior Rates' Mess HMS DRAKE

Charity Registered No:	1129026
Covering the Accounting Year:	1 August 2021 to 31 July 2022
Address:	HMS DRAKE Devonport Plymouth PL2 2BG
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 Warrant Officers, Senior Ratings and Senior Non-Commissioned Officers serving in His Majesty's Naval Base Devonport.
Trustee:	Commodore P Coulson ADC Royal Navy (to 13 July 22) Brigadier M J Tanner OBE ADC Royal Marines (from 14 July 2022)
Trustee selection method:	Appointed as such by the Naval Secretary.
Bankers:	Lloyds Banking Group Royal Parade Plymouth
Independent Examiner:	Peter Nicholls MBE MAAT 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. Profits from the bar and other activities provided subsidies for social functions.
Financial Review:	The worth of the fund had increased by £8.8K to £199K, mainly as a result of the much improved bar profits. The assets included £53.4K in property and stocks. The bank, deposit, and cash assets of £199.5K more than covered the liabilities of £168.3K.
Investment Selection Policy:	Investments were and still are split 30% income funds and 70% capital growth funds, although it changed over the years.

Financial Reserves Policy:	The Trustee has considered the level of reserves required, appropriate to the charity's needs. These are held in investments currently worth £69.4K. 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:	None are paid to individuals, but grants are occasionally paid to the Associate Members' Fund.
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 will provide sufficient resources in the event of adverse conditions.
Public Benefit Statement:	This fund provides public benefit by assisting Service personnel to more effectively perform their roles 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	Brigadier M J Tanner OBE ADC Royal Marines.
Appointment	Naval Base Commander and Sole Managing Trustee
Date	30 January 2023

Independent Examiner's Report to the Trustee of HMS Drake Warrant Officers' and Senior Rates' Mess.

I report on the accounts of the Charity for the year ended 31 July 2022, which are set out in pages 1 to 7 and accompanying notes.

Respective responsibilities of trustees and examiner

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. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a licenced member of the Association of Accounting Technicians.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. 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 trustee for any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's qualified statement

In connection with my examination, there were gaps in the accounting records as detailed in PNIE's report dated 31 July 2022. No other 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 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

P A Nicholls MBE MAAT
5 Nursery Road
Havant
Hants PO9 3BG

30 January 2023

HMS DRAKE WARRANT OFFICERS' AND SENIOR RATES' MESS

Charity Registration No 1129026

BALANCE SHEET

31-Jul-22

				31-Jul-21
	Notes			
Fixed Assets				
Mess Property	7	£ 28,997.59	£ 35,164.00	
Investments	2	£ 69,401.87	£ 68,728.77	
Deposit Account	2	£ 5,854.79	£ 5,381.70	
		£ 104,254.25		£ 109,274.47
Current Assets				
Stocks	7A	£ 24,445.84	£ 16,464.28	
Mess Bills		£ 1,200.00	£ 2,457.00	
Misc Debtors & Prepayments	8, 8A	£ 43,757.79	£ 25,540.65	
Bank Accounts		£ 185,589.10	£ 81,662.09	
Cash		£ 8,014.19	£ 6,487.33	
		£ 263,006.92	£ 132,611.35	
Current Liabilities				
Sundry Creditors	9, 9A	£ 145,938.65	£ 31,850.00	
47 Cdo Fund		£ 18,625.39	£ 17,686.84	
Veteran Members' Fund		£ 667.16	£ 1,947.12	
HMRC VAT Bill		£ 723.64	£ -	
Charity Chest		£ 2,323.05	£ 261.83	
		£ 168,277.89	£ 51,745.79	
Net Current Assets		£ 94,729.03		£ 80,865.56
Net Assets		£ 198,983.28		£ 190,140.03

Approved on 30 January 2023

Signed on Original

Brigadier M J Tanner OBE ADC Royal Marines
Sole Managing Trustee

HMS DRAKE WARRANT OFFICERS' AND SENIOR RATES' MESS

STATEMENT OF FINANCIAL ACTIVITIES

For year ended 31 July 2022

	Notes		<u>Year to Jul 21</u>
Income			
Donations & Grants		£ 8,298.48	£ 3,500.00
Charitable Activities		£ 227,658.31	£ 88,540.87
Other Trading Activities		£ 82,652.82	£ 2,162.12
Investment Income		£ 368.30	£ 462.16
Total Incoming Resources	3	<u>£ 318,977.91</u>	<u>£ 94,665.15</u>
Expenditure			
Raising Funds		£ 91,433.72	£ 2,224.01
Charitable Activities		£ 216,150.39	£ 92,314.42
Other Costs		£ 3,343.14	£ 3,717.21
Total Expenditure	4	<u>£ 310,927.25</u>	<u>£ 98,255.64</u>
Net income (expenditure)		£ 8,050.66	£ (3,590.49)
Plus Gains on Revalued Investments		£ 792.59	£ 10,998.11
Total funds brought forward		£ 190,140.03	£ 182,732.41
Total funds carried forward		<u>£ 198,983.28</u>	<u>£ 190,140.03</u>

Notes to the Accounts dated 31 July 2022

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 October 2019 and the provisions of the Charities Acts. Significant policies adopted are:

Incoming resources

- a. Donations are included in the Statement of Financial Activities (SOFA) when the Mess 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 Mess receives no unpaid volunteer help.

Expenditure and liabilities

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

Assets

- a. Tangible 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. In view of the diverse nature and multi use, non bar depreciation is not allocated to any of the other activity costs.
- b. Stocks are valued at the lower of cost or market value.

Note 2 - Investments

	<u>CCLA Income</u>	<u>CCLA Accum</u>	<u>CCLA COIF</u>
Market Valuation at 1 Aug 21	£ 17,204.57	£ 51,524.20	£ 5,381.74
Dividends			£ 473.05
Revaluation to market value	£ (191.03)	£ 864.13	
Market Valuation at 31 Jul 22	<u>£ 17,013.54</u>	<u>£ 52,388.33</u>	<u>£ 5,854.79</u>
Cost of Investments	£ 10,500.00	£ 24,500.00	

Note 3 - Income

	<u>Year to Jul 22</u>	<u>Year to Jul 21</u>
<i>Voluntary Income</i>		
Grants	£ 8,298.48	£ 3,500.00
<i>Charitable Activities</i>		
Mess Subscriptions	£ 50,932.65	£ 52,418.33
Associate Mess Subs	£ 3,396.88	£ 5,438.43
Mess functions	£ 49,296.04	£ 7,459.87
Bar Sales	£ 123,674.53	£ 23,163.57
Family Rooms	£ 358.21	£ -
Coffee & Tea	<u>£ -</u>	<u>£ 60.67</u>
	£ 227,658.31	£ 88,540.87
<i>Other Trading Activities</i>		
Presentation Port	£ 927.30	£ 1,135.53
Private Functions	£ 80,987.06	£ -
Ties & Pins	£ 158.36	£ 210.40
Bad Debts Recovered	<u>£ 580.10</u>	<u>£ 816.19</u>
	£ 82,652.82	£ 2,162.12
<i>Investment Income</i>		
Dividends & Interest	£ 368.30	£ 462.16
Total Income	<u>£ 318,977.91</u>	<u>£ 94,665.15</u>

Note 4 - Expenditure

	<u>Year to Jul 22</u>	<u>Year to Jul 21</u>
<i>Raising Funds</i>		
Cost of Ties & Pins	£ 459.39	£ 335.25
Presentation Port	£ 2,383.88	£ 1,888.76
Private Functions	£ 80,987.06	£ -
Private Functions - Losses	£ 7,603.39	£ -
	£ 91,433.72	£ 2,224.01
<i>Charitable Activities</i>		
Trading Costs		
Cost of Bar Sales	£ 78,566.08	£ 21,695.03
Function Expenses	£ 49,296.04	£ 7,459.87
Function Expenses from Subsidy	£ 18,474.81	£ 20,280.04
Linen and Laundry	£ 6,740.70	£ -
Refurbishment (Grant Funded)	£ 8,298.48	£ -
Running Costs		
Christmas Draw 22 Subsidy	£ 919.45	£ -
Mess Socials	£ 6,494.02	£ -
Mess Guests	£ 362.49	£ 26.85
Family Rooms	£ 492.16	£ 357.99
Internet/Telephone	£ 1,125.96	£ 597.20
Newspapers	£ 4,957.29	£ 4,374.14
Coffee & Tea	£ 2,905.41	£ 4,001.06
TV, Video & Audio	£ 11,980.74	£ 11,185.57
Performing Rights	£ 1,877.66	£ -
Repairs, Renewals & Improvements	£ 1,811.11	£ 2,049.90
Insurance	£ 1,155.67	£ 1,365.97
Trophy Hire	£ 326.00	£ 163.55
Presentations /Leavers Gifts	£ 502.10	£ 975.03
Central Amenities Fund	£ 3,000.00	£ 3,000.00
Flowers and Decs	£ -	£ 25.00
Misc Expenditure	£ 4,553.48	£ 744.40
Governance Costs		
Examination	£ 1,020.00	£ 995.00
Support Costs		
Bank Charges	£ 3,152.18	£ 2,219.95
Print, Post, Stationery	£ 1,531.34	£ 1,167.48
Depreciation (Non bar)	£ 6,607.22	£ 9,630.39
	£ 216,150.39	£ 92,314.42
<i>Other Costs</i>		
Write Off - Valiant	£ 3,343.14	£ 3,717.21
	£ 3,343.14	£ 3,717.21
Total Expenditure	<u>£ 310,927.25</u>	<u>£ 98,255.64</u>

Note 5 - Paid Employees

a. There are no employees who are paid by the mess. Additional bar wages are billed by the contractor.

Note 6 - Trustees and Other Related Parties

- a. No expenses or emoluments have been paid to the sole Managing Trustee.
b. The Mess makes a contribution to HMS Drake Central Amenities Fund (CAF) to secure benefits for its members. This charity and the CAF Charity have the same sole managing trustee.
c. There are no amounts due to or from the sole Managing Trustee.

Note 7 - Tangible Fixed Assets

	Furniture and Fittings	Bar Equipment
Property Valuation as at 1 Aug 21	£ 32,549.75	£ 2,614.25
Additions	£ 1,103.16	£ -
Depreciation/Disposals	£ (6,607.22)	£ (662.35)
Property Valuation at 31 Jul 22	<u>£ 27,045.69</u>	<u>£ 1,951.90</u>

Note 7A - Stocks

Bar	£ 17,711.52
Private Functions Catering Stock	£ 4,643.25
Tea & Coffee	£ 288.81
Tie pins & Ties	£ 697.74
Presentation Port	£ 1,104.52
	<u>£ 24,445.84</u>

Note 8 - Miscellaneous Debtors

Mess Functions Cancelled - Oktober Fest 21	£ 750.00
Comedy Night Prepaid - Sep 22	£ 2,157.59
Southwest Logs Dinner - Cancelled	£ 1,608.50
Mess Fees owed	£ 1,200.00
Trophy Hire 21/22 - Refunded Duplicate	£ 163.55
Trophy Hire 22/23 Prepaid	£ 108.30
Mitie Tea - Biscuits and Lunches	£ 1,302.82
Private Function Income - 47CDO Boxing	£ 4,953.20
HMS Vanguard	£ 21,241.30
Talent Dinner	£ 2,803.63
Valiant Debt (After 25% Annual Write Off)	£ 6,695.25
	<u>£ 42,984.14</u>

Note 8A - Prepayments

Insurance	£ 369.25
SKY TV	£ 404.40
	<u>£ 773.65</u>

Note 9 - Computer Creditors

Alliance Disposables Ltd	£ 237.53
BOC	£ 0.10
Booker	£ 43.04
Coors	£ 7,207.09
ESS	£ 28,994.24
Friary Mill Bakery Ltd	£ 970.00
VH Graddon & Sons Ltd	£ 554.67
Jones & Champion	£ 1,944.47
LWC	£ 1,070.37
Johnsons Stalbridge Linen	£ 757.35
Taxi	£ 598.08
	<u>£ 42,376.94</u>

Note 9A - Creditors (all due within one year)

Mess Fees in Advance	£ 1,026.00
Wedding Deposit	£ 1,500.00
Bar - BOC & Sundries	£ 480.00
Coffee cards	£ 2,530.00
Meat Raffle	£ 1,056.00
Christmas Draw Prepaid - 22	£ 930.00
Grants - Mess Refurb Prepaid (Start date Jan 23)	£ 83,356.13
Private Function Prepaid - Duffy Wedding Dec 22	£ 1,392.41
Private Function Prepaid - TTD Nov 22	£ 120.00
Mess Function Cancelled - Oktober Fest 21	£ 83.34
Mess Function Cancelled - SW Logs Dinner	£ 46.50
Mess Function Prepaid - Comedy Night Sep 22	£ 549.98
Newspapers	£ 454.72
Performing Rights	£ 1,877.66
CAF	£ 3,000.00
Crown Accommodation charges	£ 3,782.01
ESS - Napkins	£ 24.00
Bank charges	£ 332.96
Accounts Examination	£ 1,020.00
	<u>£ 103,561.71</u>

Note 10 - Endowment or Restricted Income Funds

There are only unrestricted funds.

Note 11 - Other Information

- The fund does not have any material commitments not provided for in the accounts.
- The fund has not given any guarantees to any third party that could be called on at the year end.
- The fund has not granted any loans.
- 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 .
- The fund has one designated fund - Family Cabins.
- 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 31 Jul 22

			<i>Previous Year</i>
Sales	£ 123,674.53		£ 23,163.57
Cost of sales	<u>£ 69,690.22</u>		<u>£ 15,994.83</u>
Gross Profit	£ 53,984.31		£ 7,168.74
Gross Profit/Sales =%	43.7%		30.9%
Gross Profit/Cost of Sales = % (i.e average mark up)	77.5%		44.8%
Less expenses:			
Till Repairs and Servicing	£ 900.00		£ 1,350.00
Bar Gas, Cleaning and Sundries	£ 2,983.21		£ 467.03
COVID Out Of Date	£ -		£ 377.44
Staff Taxes	£ 4,330.30		£ 1,159.12
Depreciation	<u>£ 662.35</u>		<u>£ 662.35</u>
	£ 8,875.86		£ 4,015.94
Net profit	36.5% <u>£ 45,108.45</u>		13.6% <u>£ 3,152.80</u>

Independent Examiner's Report to the Trustee of HMS Drake Warrant Officers' and Senior Rates' Mess.

I report on the accounts of the Charity for the year ended 31 July 2022, which are set out in pages 1 to 7 and accompanying notes.

Respective responsibilities of trustees and examiner

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In connection with my examination, there were gaps in the accounting records as detailed in PNIE's report dated 31 July 2022. No other material matters have come to my attention which gives me cause to believe that in any material respect:

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Signed on Original

P A Nicholls MBE MAAT
5 Nursery Road
Havant
Hants PO9 3BG

30 January 2023