

WARRANT OFFICERS' and SENIOR RATES' MESS

HMS DRAKE

ANNUAL REPORT AND FINANCIAL STATEMENTS

For Period

1 August 2022 to 31 July 2023

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 2022 to 31 July 2023
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:	Brigadier M J Tanner OBE ADC Royal Marines
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:	<p>The mess was worth £143.5K, although £43.5K was represented by property and stock. Bank and cash assets of £55.9K covered the £45.2K liabilities.</p> <p>There was a £54.5K loss over the year. The main reasons were:</p> <ul style="list-style-type: none">• The running costs of the mess exceeded the subscription income by £10.3K• The function write-off of £3.3K.• Offset by the investment income and market growth of £1K.• The mess paid £39.9K towards the Pitcher bar refurbishment. <p>Trading profits from the previous year more than funded the function subsidies.</p>

Investment Selection Policy:	Investments were split 30% income funds and 70% capital growth funds, although it changed over the years to the current 25/75% split.
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 £69.8K. 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:	<p>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.</p> <p>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.</p>

Declaration:

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

Signature *Signed on Original*

Name Brigadier M J Tanner OBE ADC Royal Marines.

Appointment Naval Base Commander and Sole Managing Trustee

Date 30 September 2023

HMS DRAKE WARRANT OFFICERS' AND SENIOR RATES' MESS

Charity Registration No 1129026

BALANCE SHEET

31-Jul-23

				31-Jul-22
	Notes			
<u>Fixed Assets</u>				
Mess Property	7	£ 23,600.86	£ 28,997.59	
Investments	2	£ 69,677.10	£ 69,401.87	
Deposit Account	2	£ 6,334.39	£ 5,854.79	
		£ 99,612.35		£ 104,254.25
<u>Current Assets</u>				
Stocks	7A	£ 19,888.01	£ 24,445.84	
Mess Bills Owed		£ 4,910.00	£ 1,200.00	
Misc Debtors & Prepayments	8, 8A	£ 8,419.71	£ 43,757.79	
Bank Accounts		£ 52,235.90	£ 185,589.10	
Cash		£ 3,679.90	£ 8,014.19	
		£ 89,133.52	£ 263,006.92	
<u>Current Liabilities</u>				
Sundry Creditors	9, 9A	£ 24,035.00	£ 145,938.65	
47 Cdo Fund		£ 15,532.25	£ 18,625.39	
Veteran Members' Fund		£ 1,510.89	£ 667.16	
HMRC VAT Bill		£ 749.62	£ -	
HMRC Additional VAT Bill		£ -	£ 723.64	
Charity Chest		£ 3,399.30	£ 2,323.05	
		£ 45,227.06	£ 168,277.89	
Net Current Assets		£ 43,906.46		£ 94,729.03
Net Assets		<u>£ 143,518.81</u>		<u>£ 198,983.28</u>

Approved on 22 September 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 2023

	Notes		<u>Year to Jul 22</u>
Income			
Donations & Grants		£ 110,654.61	£ 8,298.48
Charitable Activities		£ 245,942.71	£ 228,238.41
Other Trading Activities		£ 70,774.97	£ 82,072.72
Investment Income		£ 683.17	£ 368.30
Total Incoming Resources	3	<u>£ 428,055.46</u>	<u>£ 318,977.91</u>
Expenditure			
Raising Funds		£ 78,608.31	£ 98,174.42
Charitable Activities		£ 400,649.20	£ 209,409.69
Other Costs		£ 3,343.14	£ 3,343.14
Total Expenditure	4	<u>£ 482,600.65</u>	<u>£ 310,927.25</u>
Net income (expenditure)		£ (54,545.19)	£ 8,050.66
Plus Gains on Revalued Investments		£ 275.23	£ 792.59
Previous Year Corrections		£ (1,194.51)	£ -
Total funds brought forward		£ 198,983.28	£ 190,140.03
Total funds carried forward		<u><u>£ 143,518.81</u></u>	<u><u>£ 198,983.28</u></u>

Notes to the Accounts dated 31 July 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.

Income

- a. Donations are included in the Statement of Financial Activities (SOFA) when the CAF 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 CAF receives no unpaid volunteer help.
- e. Investment income 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 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 22	£ 17,013.54	£ 52,388.33	£ 5,854.79
Dividends			£ 479.60
Revaluation to market value	£ (309.09)	£ 584.32	
Market Valuation at 31 Jul 23	<u>£ 16,704.45</u>	<u>£ 52,972.65</u>	<u>£ 6,334.39</u>
Cost of Investments	£ 10,500.00	£ 24,500.00	

Note 3 - Income

	<u>Year to Jul 23</u>	<u>Year to Jul 22</u>
<i>Voluntary Income</i>		
Grants - Refurbishment Pitchers Bar	£ 110,654.61	£ 8,298.48
<i>Charitable Activities</i>		
Mess Subscriptions	£ 60,255.82	£ 50,932.65
Veterans Mess Subs	£ 3,552.84	£ 3,396.88
Mess Functions	£ 58,885.97	£ 49,296.04
Christmas Draw 22 Income	£ 6,245.00	£ -
Bar Sales	£ 116,772.51	£ 123,674.53
Family Rooms	£ 75.00	£ 358.21
Coffee & Tea	£ 8.49	£ -
Misc Income/Bad Debts Recovered	£ 147.08	£ 580.10
	<u>£ 245,942.71</u>	<u>£ 228,238.41</u>
<i>Other Trading Activities</i>		
Presentation Port	£ 4,259.99	£ 927.30
Private Functions	£ 66,219.45	£ 80,987.06
Mess Memorabilia	<u>£ 295.53</u>	<u>£ 158.36</u>
	<u>£ 70,774.97</u>	<u>£ 82,072.72</u>
<i>Investment Income</i>		
Dividends & Interest	£ 683.17	£ 368.30
Total Income	<u>£ 428,055.46</u>	<u>£ 318,977.91</u>

Note 4 - Expenditure

	<u>Year to Jul 23</u>	<u>Year to Jul 22</u>
<i>Raising Funds</i>		
Mess Memorabilia	£ 493.55	£ 459.39
Presentation Port	£ 5,156.19	£ 2,383.88
Private Functions	£ 65,325.96	£ 80,987.06
Linen and Laundry	£ 7,632.61	£ 6,740.70
Private Functions - Losses	£ -	£ 7,603.39
	<u>£ 78,608.31</u>	<u>£ 98,174.42</u>
<i>Charitable Activities</i>		
<i>Operating Costs</i>		
Cost of Bar Sales	£ 93,469.65	£ 78,566.08
Mess Function Expenses	£ 58,885.97	£ 49,296.04
Mess Function Expenses from Subsidy	£ 31,460.20	£ 18,474.81
Christmas Draw 22 Prizes	£ 6,639.10	£ 919.45
Mess Socials	£ 8,881.64	£ 6,494.02
Mess Guests	£ 666.66	£ 362.49
Family Rooms	£ 310.74	£ 492.16
Internet/Telephone	£ 432.91	£ 1,125.96
Newspapers	£ 5,529.80	£ 4,957.29
Coffee & Tea	£ 5,614.90	£ 2,905.41
TV, Video & Audio	£ 13,235.69	£ 11,980.74
Performing Rights	£ 126.75	£ 1,877.66
Repairs, Renewals & Improvements	£ 6,151.33	£ 1,811.11
Mess Refurbishment - Pitchers Bar	£ 150,562.23	£ 8,298.48
Insurance	£ 586.58	£ 1,155.67
Trophy Hire	£ 54.15	£ 326.00
Presentations /Leavers Gifts	£ 328.66	£ 502.10
Central Amenities Fund	£ 3,000.00	£ 3,000.00
Misc Expenditure	£ 29.99	£ 4,553.48
<i>Governance Costs</i>		
Examination	£ 1,050.00	£ 1,020.00
<i>Support Costs</i>		
Bank Charges	£ 2,921.47	£ 3,152.18
Print, Post, Stationery	£ 1,270.40	£ 1,531.34
Depreciation (Non bar)	£ 9,440.38	£ 6,607.22
	<u>£ 400,649.20</u>	<u>£ 209,409.69</u>
<i>Other Costs</i>		
Write Off - Valiant	£ 3,343.14	£ 3,343.14
	<u>£ 3,343.14</u>	<u>£ 3,343.14</u>
Total Expenditure	<u><u>£ 482,600.65</u></u>	<u><u>£ 310,927.25</u></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 22	£ 27,045.69	£ 1,951.90
Additions	£ 4,706.00	£ -
Depreciation/Disposals	£ (9,440.38)	£ (662.35)
Property Valuation at 31 Jul 23	<u>£ 22,311.31</u>	<u>£ 1,289.55</u>

Note 7A - Stocks

Bar	£ 9,707.18
Private Functions Catering Stock	£ 5,155.58
Tea & Coffee	£ 467.08
Mess Memorabilia	£ 791.28
Presentation Port	£ 3,766.89
	<u>£ 19,888.01</u>

Note 8 - Miscellaneous Debtors

CCLA Interest - Jul 23	£ 25.00
Valiant Debt (After 25% Annual Write Off)	£ 3,352.11
	<u>£ 3,377.11</u>

Note 8A - Prepayments

Insurance	£ 415.67
Sky TV - Aug 23	£ 404.40
Trophy Hire	£ 108.30
Performing Rights Aug 23 - Jul24	£ 1,394.23
Halloween 23 - Disco	£ 220.00
Oktober Fest 23 - Entertainment	£ 750.00
Comedy Night 23 - Entertainment	£ 1,750.00
	<u>£ 5,042.60</u>

Note 9 - Computer Creditors

BOC	£ 0.10
Taxi Services Plymouth	£ 128.40
Coors	£ 5,476.80
ESS	£ 676.44
LWC	£ 3,125.20
	<u>£ 9,406.94</u>

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

Mess Fees in Advance	£ 3,458.16
RNRMC Grant - Cinema Room	£ 2,803.50
RNRMC Grant - Comedy Night	£ 300.00
Harvey Sea Shanty	£ 16.67
Coffee Cards	£ 1,760.00
Meat Raffle	£ 892.00
Christmas Draw Prepaid - 23	£ 995.00
Graddons - Coffee	£ 14.24
CAF 22/23	£ 3,000.00
Crown Accommodation Charges	£ 131.97
Bank Charges	£ 206.52
Accounts Examination	£ 1,050.00
	<u>£ 14,628.06</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 23

			<i>Previous Year</i>
Sales	£ 116,772.51		£ 123,674.53
Cost of Sales	<u>£ 85,816.75</u>		<u>£ 69,690.22</u>
Gross Profit	£ 30,955.76		£ 53,984.31
Gross Profit/Sales =%	26.5%		43.7%
Gross Profit/Cost of Sales = % (i.e average mark up)	36.1%		77.5%
Less expenses:			
Till Repairs and Servicing	£ -		£ 900.00
Bar, Gas, Cleaning and Sundries	£ 4,681.88		£ 2,983.21
Bar Wages	£ 1,701.51		£ -
Staff Taxes	£ 607.16		£ 4,330.30
Depreciation	<u>£ 662.35</u>		<u>£ 662.35</u>
	<u>£ 7,652.90</u>		<u>£ 8,875.86</u>
Net Profit	20.0% <u>£ 23,302.86</u>		36.5% <u>£ 45,108.45</u>

**Independent Examiner's Report to the Trustee of the
Warrant Officers' and Senior Ratings' Mess HMS Drake.
Registered Charity No. 1129026**

I report to the trustee on my examination of the accounts of the Warrant Officers' and Senior Ratings' Mess HMS Drake for the year ended 31 July 2023.

Respective responsibilities of trustees and examiner

As the charity's trustee is responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act"). I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act. 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.

Independent examiner's 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

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

30 September 2023