

***WARDROOM MESS***

***HMS EXCELLENT***

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For Period**

**1 April 2020 to 31 March 2021**

**Registered Charity No. 1129719**

## Trustees' Annual Report and Comments

### Wardroom Mess HMS EXCELLENT

Charity Registered No:	1129719
Covering the Accounting Year:	1 April 2020 to 31 March 2021
Address:	HMS EXCELLENT Whale Island Portsmouth PO2 8ER
Governing Document:	Constitution (Mess Rules)
Objective:	Promotion of the Military Efficiency and Operational Effectiveness of the Armed Forces by the provision of mess facilities to Commissioned Officers serving in Whale Island.
Trustee:	Commander S Turnbull Royal Navy
Trustee selection method:	Appointed as such by the Naval Secretary.
Bankers	RBS Holts
Independent Examiner:	Peter Nicholls MBE MAAT 5 Nursery Road Havant Hants PO9 3BG
Activities and Achievements	<p>To have resources available for expenditure on improvements to the quality of life, and the engenderment of esprit de corps. In normal years the mess would put on a full social programme for its members. Generous subsidies would have been provided to functions from the profits made from the bar and other taxable activities</p>
Financial Review:	<p>The mess fund increased by £25K over the year largely because:</p> <ul style="list-style-type: none"><li>• Military subscription income exceeded running costs by £20K.</li><li>• Associate member fee income of £4.5K was not required for function subsidies.</li></ul> <p>The Wardroom was worth £174.6K of which £32K was represented by property and stock. Bank and deposit balances totalling £148K easily covered liabilities of £21K.</p> <p>The committee had set aside £13.7K for the Magazine Bar refurbishment in 2021/22 and will not be asking the RNRMC for a grant. It intends to use its accumulated reserves to fund a rolling programme of refurbishments and improvements in the coming years.</p>

Investment Selection Policy.	The Wardroom does not hold any investments.
Financial Reserves Policy:	The Trustee has considered the level of reserves to be retained, appropriate to the charity's needs. This is considered to be £50K and is held in deposit and in available bank accounts. 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. Excess funds will be used for future refurbishment projects.
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. Quarterly independent examination of the accounts will mitigate the risk of any mismanagement by the mess committee.
Public Benefit Statement	<p>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.</p> <p>I confirm that 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

Commander S Turnbull Royal Navy.

Appointment

Commanding Officer and sole Managing Trustee

Date .....

29 May 2021

## **Independent Examiner's Report to the Trustee of the Wardroom HMS Excellent.**

I report on the accounts of the Charity for the year ended 31 March 2021 which are set out in pages 1 to 6 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.

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 statement**

In connection with my examination, 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 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

29 May 2021

# HMS EXCELLENT WARDROOM MESS FUND

Registered Charity 1129719

## BALANCE SHEET

31-Mar-21

	Notes		31-Mar-20
<b>ASSETS</b>			
<u>Fixed Assets</u>			
Mess Property	7	£ 25,348.00	£ 27,638.00
<u>Current Assets</u>			
Stocks at Cost:	7A	£ 6,560.73	£ 9,709.65
Messbills and Function payments		£ 11,566.66	£ 31,936.67
Misc debtors and prepayments	8	£ 726.10	£ 1,686.90
Cash		£ 3,567.42	£ 5,470.48
Current Account		£ 138,050.28	£ 83,384.88
Charity Deposit Account		£ 10,000.00	£ 10,000.00
Total Current Assets		<u>£ 170,471.19</u>	<u>£ 142,188.58</u>
 <b>LIABILITIES</b>			
Creditors	9/9A	£ 18,292.16	£ 16,976.76
Central Bank for other Funds:			
CFS Fund		£ 2,137.78	£ 1,528.82
LLS Fund		£ 491.78	£ 1,326.20
VAT		£ 266.48	£ 393.16
Current Liabilities		<u>£ 21,188.20</u>	<u>£ 20,224.94</u>
Net Current Assets		£ 149,282.99	£ 121,963.64
Net Assets		<u>£ 174,630.99</u>	<u>£ 149,601.64</u>
Provision:			
Magazine Bar Refurbishment		£ 13,711.94	
Net Assets less provision		<u>£ 160,919.05</u>	

Approved on 29 May 2021

*Signed on Original*

Commander S Turnbull Royal Navy

Sole Managing Trustee

# HMS EXCELLENT WARDROOM MESS FUND

## STATEMENT OF FINANCIAL ACTIVITIES

For year to 31 Mar 21

	Note	Year to Mar 20
<b>Income</b>		
Donations and Grants	£ 2,575.00	£ 2,123.00
Charitable activities	£ 67,079.73	£ 215,464.34
Other Trading Activities	£ 784.98	£ 8,368.28
Investment Income	£ 11.88	£ 61.53
Total Income	3 £ 70,451.59	£ 226,017.15
<b>Expenditure</b>		
Charitable Activities	£ 44,061.46	£ 177,631.61
Raising Funds	£ 731.62	£ 2,934.53
Other	£ 285.16	£ 2,813.81
Total Expenditure	4 £ 45,078.24	£ 183,379.95
Net incoming/(outgoing) resources	£ 25,373.35	£ 42,637.20
Less Previous Year Corrections	£ (344.00)	£ (2,837.31)
Net movement in Funds	£ 25,029.35	£ 39,799.89
Total Funds Brought Forward	£ 149,601.64	£ 109,801.75
Total Funds Carried Forward	<b>£ 174,630.99</b>	<b>£ 149,601.64</b>

## HMS EXCELLENT WARDROOM MESS FUND

### Notes to the Accounts dated 31 March 2021

#### 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 2019 (FRS 102) and the provisions of the Charities Act 2011. Significant policies adopted are:

##### 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. 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. The fund does not have a policy of revaluation. Depreciation is 50% initial then six monthly, straight line and over the estimated life of the item. Depreciation is not allocated to activity costs.
- b. Stocks are valued at the lower of cost or market value.

#### Note 2 - Investments - There are none

#### Note 3 - Income

	<u>Year to Mar 21</u>	<u>Year to Mar 20</u>
<i>Voluntary Income</i>		
Donations& Grants	£ 2,575.00	£ 2,123.00
<i>Charitable Activities</i>		
Mess Subs	£ 55,484.50	£ 92,933.50
Associate Subscriptions	£ 4,462.50	£ 7,933.75
Bar Sales	£ 6,941.73	£ 57,668.88
Mess Functions	£ -	£ 55,605.81
Coffee	£ 176.00	£ 608.00
Misc income	£ 15.00	£ 714.40
	<u>£ 67,079.73</u>	<u>£ 215,464.34</u>
<i>Other Trading Activities</i>		
Private Functions	£ -	£ 2,926.58
Private Function Surplus	£ -	£ 4,679.37
Shop Sales	£ 784.98	£ 762.33
	<u>£ 784.98</u>	<u>£ 8,368.28</u>
<i>Investment Income</i>		
Interest	£ 11.88	£ 61.53
<b>Total Income</b>	<u><u>£ 70,451.59</u></u>	<u><u>£ 226,017.15</u></u>

## Note 4 Expenditure

	<u>Year to Mar 21</u>	<u>Year to Mar 20</u>
<i>Charitable Activities</i>		
Trading		
Cost of Bar sales & other costs	£ 6,215.50	£ 41,181.55
Function Expenditure from Tickets	£ -	£ 55,605.81
Function Expenditure from Subsidies	£ -	£ 14,003.05
Function Expenditure from Grants	£ -	£ 2,000.00
Free Entry Functions	£ 17.66	£ -
Committee Free Tickets	£ -	£ 227.50
Xmas Draw Subsidy	£ 2,797.78	£ 379.39
Running Costs		
Performing Rights	£ 1,304.00	£ 1,827.28
Dining Hall Extras	£ 55.99	£ 2,014.73
Mess Guests	£ 602.88	£ 1,064.17
Newspapers & Periodicals	£ 649.85	£ 5,629.30
Coffee	£ 11,528.83	£ 21,095.57
Refurbishments	£ 400.00	£ -
Repairs & Renewals	£ 723.58	£ 1,045.01
TV and Audio	£ 416.26	£ 408.83
Presentations/Leavers Gifts	£ 791.11	£ 376.46
Welfare & Sports	£ 1,000.00	£ 1,000.00
Christmas Decorations	£ 599.98	£ 2,178.31
Insurances & Security	£ 2,342.48	£ 2,330.49
Trophy Hire	£ 555.00	£ 555.04
Internet	£ 417.00	£ 600.00
Napkins	£ -	£ 793.35
Misc Expenses	£ -	£ 220.10
Governance Costs		
Accounts and examination	£ 2,290.00	£ 2,267.00
Support Costs		
Bank charges	£ 1,511.64	£ 3,111.48
Card Machine	£ 1,510.07	£ 1,828.03
Swipe Cards	£ -	£ 199.20
Printing, Postage & Stationery	£ 234.57	£ 349.57
Sage/Tills	£ 3,352.28	£ 2,451.69
Depreciation	£ 4,745.00	£ 12,888.70
	£ 44,061.46	£ 177,631.61
<i>Raising Funds</i>		
Private Functions	£ -	£ 2,926.58
Shop Costs	£ 731.62	£ 7.95
	£ 731.62	£ 2,934.53
<i>Other Costs</i>		
Bad Debts	£ -	£ 1,641.00
Write off (Mess Bills/PAYD/Bistro)	£ 285.16	£ 1,172.81
	£ 285.16	£ 2,813.81
Total Expenditure	£ 45,078.24	£ 183,379.95

## Note 5 - Paid Employees

- a. There were no paid employees.



#### **Note 6 - Trustees and Other Related Parties**

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

#### **Note 7 - Tangible Fixed Assets - Property Account - Fixtures & Fittings**

Property Valuation as at 31 Mar 20	£ 27,638.00
Additions	£ 2,455.00
Depreciation	£ (4,745.00)
Property Valuation at 31 Mar 21	<u>£ 25,348.00</u>

#### **Note 7A - Stocks**

Bar Stock	£ 5,625.25
Shop Stock	£ 935.48
	<u>£ 5,625.25</u>

#### **Note 8 - Miscellaneous Debtors and Prepayments**

HMS Nelson Wardroom	£ 2.10
Accounting Wifi Prepaid	£ 83.00
Sage Prepaid	£ 641.00
	<u>£ 726.10</u>

#### **Note 9 - Trade Creditors**

ESS - Mess	£ 347.52
ESS - PAYD	£ 101.71
	<u>£ 449.23</u>

#### **Note 9A - Miscellaneous Creditors**

D94/D95 Accommodation Repayments	£ 14,618.30
BOC Gas	£ 17.65
Christmas Draw	£ 120.00
RNRMC Grant	£ 773.00
ATC Fund	£ 1,075.58
Armistice Day Fund	£ 41.21
PRS/PPL (estimated)	£ 200.00
PNIE	£ 590.00
Card Charges	£ 70.79
Bank Charges	£ 11.00
Suspense - Unknown Receipt	£ 125.40
Suspense - Duplicate Payment	£ 200.00
	<u>£ 17,842.93</u>

#### **Note 10 - Endowment or Restricted Income Funds**

There were none.

#### **Note 11 - Other Information**

- 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

- a. The Trustee has not changed the year end date nor the length of the fund's financial year
- b. All the fund's operations are continuing operations and there were no discontinued operations.
- c. No funds are in deficit.
- d. The fund has no marketable intangible assets
- e. There were no interfund loans outstanding at the balance sheet date.
- f. 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.
- g. The fund has no material fixed assets which have not been capitalised and included in the Balance Sheet.

## Bar Trading Account

Year to 31 March 2021

				<u>Year to 31 Mar 20</u>
Sales		£ 6,941.73		£ 57,668.88
Cost of Sales:		<u>£ 5,442.46</u>		<u>£ 37,919.35</u>
Gross Profit		£ 1,499.27		£ 19,749.53
Less: Spillage/Pipcleaning	£ 98.67	1.8%	£ 1,339.56	3.5%
Covid write off	£ 350.00		£ -	
Bar Sundries	<u>£ 324.37</u>		<u>£ 1,922.64</u>	
		£ 773.04		£ 3,262.20
Net Profit		<u>£ 726.23</u>		<u>£ 16,487.33</u>
Gross Profit to Sales	21.6%		34.2%	
Gross Profit to Cost of All Sales (or average mark up)	27.5%		52.1%	

## PN INDEPENDENT EXAMINATIONS

5 Nursery Road  
Havant  
Hants  
PO9 3BG  
☎ 07801 064450

The Commanding Officer  
HMS Excellent

30 Apr 21

### **HMS EXCELLENT WARDROOM MESS FUND - EXAMINATION & ACCOUNTS – 31 MAR 21**

1. The examination of the Wardroom Mess Fund for the year has been completed. 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 should be uploaded onto the Charity Commission website.
3. On this occasion PNIE was able to visit the Wardroom and, as usual, the accounts were neatly and accurately presented for examination. Staff had mustered cash, bar stock and property and there had been independent checks by RN Verifiers. The fund had two bank accounts with the main account being with RBS Holts. However, closing the Lloyds account and avoiding its bank charges had proved difficult as all the signatories had left the mess.
4. The Treasurer monitors outstanding mess bills and contacts late payers. However, there were four former members who had not responded to her hasteners and therefore recovery should be escalated up to committee level to chase up. (Mess numbers 174, 958, 967 and 983.) In addition, there were nine associate members who had not paid their mess bills, albeit these were mostly made up of annual subscriptions. It remains to be seen if these members return to the mess after lockdown.
5. The subscription rate dropped from £15 to £10 in Jun 20 and remained at that rate throughout the year. Hence it was no surprise that subscription income fell from £92.9K to £55.5K. Similarly income from associate members' subscriptions fell from £7.9K to £4.5K.
6. The Covid restrictions meant that the mess was little used for much of the year and some of the facilities offered to members were scaled back. These included:
  - Newspapers and magazines were stopped in Jun 20 saving £5K.
  - Coffee costs fell by £9.6K to £11.5K.
  - Dining Hall extras ceased, saving £2K.
  - Christmas decoration costs fell by £1.5K.
7. Despite the reduction in expenditure and the reduction in income from military subscriptions, income from the latter still exceeded running costs by £20K. In addition, the fee income from associate members, which would normally help to fund function subsidies, was not required on this occasion.

8. As the mess had not been able to put on functions, the committee increased the level of subsidy to the Christmas Draw. This subsidy was £2.8K, which represented nearly half the cost of prizes.

9. Unsurprisingly bar sales fell to £6.9K which was 12% of the £57.7K seen in the previous year. Net bar profit was just £726 compared to the previous year's £16.5K. Of course, bar profit is normally used to subsidise functions but there were no functions in the year.

### Summary

10. The mess fund increased by £25K over the year largely because:

- Military mess subscription income exceeded running costs by £20K.
- Subscription income of £4.5K from associate members was not required for function subsidies.

11. The Wardroom was worth £174.6K of which £32K was represented by property and stock. Bank and deposit balances totalling £148K easily covered liabilities of £21K.

12. The committee had set aside £13.7K for the Magazine Bar refurbishment in 2021/22 and will not be asking the RNRMC for a grant. It intends to use its accumulated reserves to fund a rolling programme of refurbishments and improvements in the coming years.

P A Nicholls  
PN Independent Examinations

Information:

Mess President