

WARDROOM MESS
HMS EXCELLENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

For Period

1 April 2023 to 31 March 2024

Registered Charity No. 1129719

Trustee's Annual Report and Comments

Wardroom Mess HMS EXCELLENT

Charity Registered No:	1129719
Covering the Accounting Year:	1 April 2023 to 31 March 2024
Address:	HMS EXCELLENT Whale Island Portsmouth PO2 8ER
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 Whale Island.
Trustee:	Commander S Gale Royal Navy
Trustee selection method:	Appointed as such by the Naval Secretary.
Bankers:	RBS Holts
Independent Examiner:	Marianne 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. Generous subsidies have been provided to functions from the profits made from the bar and other taxable activities.
Financial Review:	The Wardroom had gained £32.2K over the year, mainly because of the increase in mess subscriptions which more than covered the running costs of the mess, despite having additional VAT on function subsidies. The fund was worth £257.1K of which £35.5K was represented by property and stock. Bank, deposit and cash assets of £210.8K covered £21.2K in liabilities by some margin.
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 £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 reserves of £10K in a deposit account plus £100K in the current account 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:

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

Signed On Original

Name

Commander S Gale Royal Navy.

Appointment

Commanding Officer and Sole Managing Trustee

Date

29 April 2024

HMS EXCELLENT WARDROOM MESS FUND

Registered Charity 1129719

BALANCE SHEET

31-Mar-24

Notes

ASSETS

31-Mar-23

Fixed Assets

Mess Property	7	£ 28,113.00	£ 25,978.00
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Current Assets

Stocks at Cost:	7A	£ 7,415.88	£ 8,238.16
Mess Bills and Function Payments		£ 28,983.55	£ 21,250.67
Misc Debtors and Prepayments	8	£ 2,957.96	£ 6,686.63
Cash		£ 1,078.91	£ 1,385.49
Current Account		£ 199,775.35	£ 177,117.78
Charity Deposit Account		£ 10,000.00	£ 10,000.00
Total Current Assets		<u>£ 250,211.65</u>	<u>£ 224,678.73</u>

LIABILITIES

Creditors	9	£ 11,718.51	£ 20,941.61
CFS Fund		£ 8,062.30	£ 5,740.66
VAT		£ 1,402.93	£ (987.31)
Current Liabilities		<u>£ 21,183.74</u>	<u>£ 25,694.96</u>

Net Current Assets		£ 229,027.91	£ 198,983.77
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Net Assets		<u>£ 257,140.91</u>	<u>£ 224,961.77</u>
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Approved on 29 April 2024

Signed On Original

Commander S Gale Royal Navy

Sole Managing Trustee

HMS EXCELLENT WARDROOM MESS FUND

STATEMENT OF FINANCIAL ACTIVITIES

For year to 31 Mar 24

	Note	Year to Mar 23
Income		
Donations and Grants	£ 1,461.96	£ -
Charitable Activities	£ 184,205.86	£ 200,239.35
Other Trading Activities	£ 9,852.50	£ 35,320.91
Investment Income	£ 445.21	£ 208.93
Total Income	3 £ 195,965.53	£ 235,769.19
Expenditure		
Charitable Activities	£ 154,937.92	£ 178,774.25
Raising Funds	£ 7,723.44	£ 32,511.93
Other	£ 1,077.37	£ 667.41
Total Expenditure	4 £ 163,738.73	£ 211,953.59
Net Income	£ 32,226.80	£ 23,815.60
Previous Year Corrections	£ (47.66)	£ 2,079.65
Net Movement in Funds	£ 32,226.80	£ 23,815.60
Total Funds Brought Forward	£ 224,961.77	£ 199,066.52
Total Funds Carried Forward	£ 257,140.91	£ 224,961.77

HMS EXCELLENT WARDROOM MESS FUND

Notes to the Accounts dated 31 March 2024

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, UK Accounting Standards and the Charities Acts.

Income

- 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 24</u>	<u>Year to Mar 23</u>
<i>Voluntary Income</i>		
Donations& Grants	£ 1,461.96	£ -
<i>Charitable Activities</i>		
Mess Subs	£ 90,373.66	£ 84,467.46
Associate Subscriptions	£ 8,690.50	£ 6,974.75
Bar Sales	£ 46,633.98	£ 42,681.65
Mess Functions	£ 38,481.58	£ 66,032.86
Misc Income	£ 26.14	£ 82.63
	<u>£ 184,205.86</u>	<u>£ 200,239.35</u>
<i>Other Trading Activities</i>		
Private Functions	£ 6,296.84	£ 32,192.86
Private Function Surplus	£ 3,061.01	£ 2,652.64
Shop Sales	£ 494.65	£ 475.41
	<u>£ 9,852.50</u>	<u>£ 35,320.91</u>
<i>Investment Income</i>		
Interest	£ 445.21	£ 208.93
Total Income	<u>£ 195,965.53</u>	<u>£ 235,769.19</u>

Note 4 - Expenditure

	<u>Year to Mar 24</u>	<u>Year to Mar 23</u>
<i>Charitable Activities</i>		
Trading		
Cost of Bar Sales & Other Costs	£ 28,158.08	£ 32,930.64
Function Expenditure from Tickets	£ 38,481.58	£ 66,032.86
Function Expenditure from Subsidies	£ 34,785.88	£ 29,430.35
Additional VAT Cost	£ 755.50	£ 1,548.87
Xmas Draw Subsidy	£ 2,780.79	£ 2,644.16
Running Costs		
Performing Rights	£ 2,474.78	£ 2,651.94
Mess Guests	£ 2,106.94	£ 542.49
Newspapers & Periodicals	£ 38.00	£ 1,361.30
Coffee/Tea	£ 12,935.81	{ £ 18,067.56
Coffee Machine Lease	£ 9,178.24	{ £ -
Coffee Machine Maintenance	£ 614.40	£ -
Repairs & Renewals	£ 926.77	£ 801.47
TV and Audio	£ 347.76	£ 333.92
Presentations/Leavers Gifts	£ 733.28	£ 799.00
Welfare & Sports	£ 1,000.00	£ 1,000.00
Christmas Decorations	£ -	£ 91.83
Insurances	£ 2,074.48	£ 2,090.78
Trophy Hire & Chubb Security	£ 1,010.55	£ 789.18
Internet	£ 700.00	£ 500.00
Misc Expenses	£ -	£ 334.06
Governance Costs		
Accounts and Examination	£ 2,530.00	£ 2,460.00
Support Costs		
Bank Charges	£ 3,612.14	£ 2,961.96
Card Machine	£ 1,365.85	£ 1,932.56
Printing, Postage & Stationery	£ 142.51	£ 241.92
Accounts Training	£ 187.50	£ -
Sage/Tills	£ 5,116.20	£ 4,573.97
Depreciation	£ 2,880.88	£ 4,653.43
	<u>£ 154,937.92</u>	<u>£ 178,774.25</u>
<i>Raising Funds</i>		
Private Functions	£ 6,296.84	£ 32,192.86
Shop Costs	£ 1,426.60	£ 319.07
	<u>£ 7,723.44</u>	<u>£ 32,511.93</u>
<i>Other Costs</i>		
Write off (Mess Bills/PAYD)	£ 1,077.37	£ 667.41
Total Expenditure	<u>£ 163,738.73</u>	<u>£ 211,953.59</u>

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 23	£ 25,978.00
Additions	£ 5,015.88
Depreciation	£ (2,880.88)
Property Valuation at 31 Mar 24	<u>£ 28,113.00</u>

Note 7A - Stocks

Bar Stock	£ 5,986.79
Shop Stock	£ 1,429.09
	<u>£ 5,986.79</u>

Note 8 - Miscellaneous Debtors and Prepayments

WOSR Mess	£ 253.96
COIF - Charities Deposit Interest	£ 45.00
Performing Rights Prepaid	£ 1,601.00
Chubb Prepaid	£ 263.00
TV Licence Prepaid	£ 106.00
PCCW Global - Internet Prepaid	£ 120.00
Coffee Lease Prepaid	£ 519.00
Function - Psychic Night Apr 24 Deposit Prepaid	£ 50.00
	<u>£ 2,957.96</u>

Note 9 - Miscellaneous Creditors

Bar Purchases - Green King	£ 544.43
BOC Gas	£ 16.20
ATC Fund	£ 445.58
Armistice Day Fund	£ 41.21
PAYD	£ 6,928.09
Dry Cleaning	£ 149.61
PETS SLA	£ 75.00
Army & Navy Rugby	£ 1,455.50
HMRC - VAT on Function Subsidy	£ 755.50
PNIE	£ 640.00
Christmas Draw	£ 20.00
Card Charges	£ 79.80
Coffee - Liquidline	£ 567.59
	<u>£ 11,718.51</u>

Note 10 - Endowment or Restricted Income Funds

There were none.

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
- 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 Account

Year to 31 March 2024

				<u>Year to 31 Mar 23</u>	
Sales		£ 46,633.98		£ 42,681.65	
Cost of Sales:		<u>£ 25,445.52</u>		<u>£ 31,347.38</u>	
Gross Profit		£ 21,188.46		£ 11,334.27	
Less: Spillage/Pipecleaning	£2,027.77		£ 785.93		
Bar Sundries	<u>£ 684.79</u>		<u>£ 797.33</u>		
		<u>£ 2,712.56</u>		<u>£ 1,583.26</u>	
Net Profit		<u>£ 18,475.90</u>	39.6%	<u>£ 9,751.01</u>	22.8%
Gross Profit to Sales	45.4%			26.6%	
Gross Profit to Cost of All Sales (or average mark up)	83.3%			36.2%	

PN INDEPENDENT EXAMINATIONS

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The Commanding Officer
HMS Excellent

19 Apr 24

HMS EXCELLENT WARDROOM MESS FUND - EXAMINATION & ACCOUNTS – 31 MAR 24

1. The examination of the Wardroom Mess Fund for the year has been completed satisfactorily. 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, IE Certificate and the accounts should be uploaded onto the Charity Commission website.

Accounts

3. The mess accounts were well presented, again remotely by Miss Plaiter, the Treasurer, with a full range of supporting documentation forwarded to PNIE by email and post. Cash, stock and property had been independently mustered at the end of the year but there had been no surprise counts of cash.
4. Property was worth £28.1K after depreciation.
5. The CCLA Charity Deposit Account held £10K as it had done for many years. This had earned £445 in interest. (5.1%). By not moving surplus funds from the bank account into this fund, an easy source of income is being missed.

Debtors/Subscriptions

6. The mess debtors continued to be closely monitored by Miss Plaiter with support from the committee. The committee decided to write off bad debts totalling £1.1K, including outstanding HMS Nelson mess bills that were proving difficult to recover due to the age of the debts. After this action there were no significant outstanding mess bills older than three months old.
7. Military mess subscriptions income had increased by £5.9K over the year to £90.4K. This total more than covered the running costs of £51.1K. Civilian, associate and non-serving short term subscriptions totalled £8.7K (previous year £7K).

Bar

8. Bar sales had increased by £3.9K to £46.6K leading to net profit of £18.5K (39%) compared to £9.7K (23%) at this time last year.

9. Mr Cairns, the Bar Supervisor managed the bar very well, in addition to supervising the WOSR Mess bar.

Subsidies and VAT

10. Function subsidies this year totalled £34.8K compared to £29.4K in the previous year.

11. Service messes have a special arrangement with HMRC whereby mess subscriptions paid by Service personnel, which are compulsory and meet the running costs of their mess, are not subject to VAT. However, the trading activities of the mess are subject to VAT and having been taxed the profits can then be used to subsidise functions with no further liability to tax. On the other hand, if subsidies come from subscription income there is an additional VAT bill.

12. In this year function subsidies of £34.8K exceeded taxed profits of £30.2K (i.e. bar profit, private function surplus and associate fees). As a result, an additional VAT bill of £0.8K was due on the £4.5K taken from untaxed subscriptions.

13. The Christmas Draw was subsidised by £2.8K.

Financial Situation

14. The Wardroom had gained £32.2K over the year, mainly as a result of the increase in mess subscriptions which more than covered the running costs of the mess, despite having additional VAT on function subsidies.

18. The fund was worth £257.1K of which £35.5K was represented by property and stock. Bank, deposit and cash assets of £210.8K covered £21.2K in liabilities by some margin. Moving some of the available money into the charity deposit account is recommended to benefit from the good rate of interest.

Summary

19. The mess was in a good financial position and could afford to spend on refurbishments and improvements to benefit mess members and encourage increased usage of the mess.

M L Butcher
PN Independent Examinations

Information:

Mess President