

WARDROOM MESS
HMS EXCELLENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

For Period

1 April 2024 to 31 March 2025

Registered Charity No. 1129719

Trustee's Annual Report and Comments

Wardroom Mess HMS EXCELLENT

Charity Registered No:	1129719
Covering the Accounting Year:	1 April 2024 to 31 March 2025
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:	<p>The net worth of the mess had increased by £9.5K to £266.6K, this included property and stock totalling £35.5K. Cash bank and deposit assets totalled £222.2K which more than covered the £11.9K liabilities. The main reasons for the increase were due to: -</p> <ul style="list-style-type: none">• Military subscription income exceeded the running costs by £19.8K.• Offset by the Christmas Draw subsidy of £2.5K and the £9.3K function subsidies not funded by profits.
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 account holdings. 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 £211K 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

22 April 2025

HMS EXCELLENT WARDROOM MESS FUND

Registered Charity 1129719

BALANCE SHEET

31-Mar-25

Notes

ASSETS

31-Mar-24

Fixed Assets

Mess Property	7	£ 27,928.00	£ 28,113.00
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Current Assets

Stocks at Cost:	7A	£ 7,567.60	£ 7,415.88
Mess Bills and Function Payments		£ 12,671.65	£ 28,983.55
Misc Debtors and Prepayments	8	£ 8,128.43	£ 2,957.96
Cash		£ 1,049.33	£ 1,078.91
Current Account		£ 211,135.49	£ 199,775.35
Charity Deposit Account		£ 10,000.00	£ 10,000.00
Total Current Assets		<u>£ 250,552.50</u>	<u>£ 250,211.65</u>

LIABILITIES

Creditors	9	£ 11,238.04	£ 11,718.51
CFS Fund		£ -	£ 8,062.30
VAT		£ 637.63	£ 1,402.93
Current Liabilities		<u>£ 11,875.67</u>	<u>£ 21,183.74</u>

Net Current Assets	£ 238,676.83	£ 229,027.91
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Net Assets	<u>£ 266,604.83</u>	<u>£ 257,140.91</u>
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Approved on 22 April 2025

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 25

	Note		<u>Year to Mar 24</u>
Income			
Donations and Grants	£	2,500.00	£ 1,461.96
Charitable Activities	£	180,931.91	£ 184,205.86
Other Trading Activities	£	5,332.82	£ 9,852.50
Investment Income	£	480.97	£ 445.21
Total Income	3	<u>£ 189,245.70</u>	<u>£ 195,965.53</u>
Expenditure			
Charitable Activities	£	177,790.37	£ 154,937.92
Raising Funds	£	2,020.04	£ 7,723.44
Other	£	77.21	£ 1,077.37
Total Expenditure	4	<u>£ 179,887.62</u>	<u>£ 163,738.73</u>
Net Income	£	9,358.08	£ 32,226.80
Previous Year Corrections	£	105.84	£ (47.66)
Net Movement in Funds	£	9,358.08	£ 32,226.80
Total Funds Brought Forward	£	257,140.91	£ 224,961.77
Total Funds Carried Forward		<u>£ 266,604.83</u>	<u>£ 257,140.91</u>

HMS EXCELLENT WARDROOM MESS FUND

Notes to the Accounts dated 31 March 2025

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 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 25</u>	<u>Year to Mar 25</u>
<i>Voluntary Income</i>		
Donations& Grants	£ 2,500.00	£ 1,461.96
<i>Charitable Activities</i>		
Mess Subs	£ 85,607.24	£ 90,373.66
Associate Subscriptions	£ 9,017.50	£ 8,690.50
Bar Sales	£ 43,939.76	£ 46,633.98
Mess Functions	£ 42,294.06	£ 38,481.58
Coffee Income	£ 33.35	£ -
Z-Bed Hire	£ 40.00	£ -
Misc Income	£ -	£ 26.14
	<u>£ 180,931.91</u>	<u>£ 184,205.86</u>
<i>Other Trading Activities</i>		
Private Functions	£ 271.40	£ 6,296.84
Private Function Surplus	£ 3,284.32	£ 3,061.01
Shop Sales	£ 1,777.10	£ 494.65
	<u>£ 5,332.82</u>	<u>£ 9,852.50</u>
<i>Investment Income</i>		
Interest	£ 480.97	£ 445.21
Total Income	<u>£ 189,245.70</u>	<u>£ 195,965.53</u>

Note 4 - Expenditure

	<u>Year to Mar 25</u>	<u>Year to Mar 24</u>
<i>Charitable Activities</i>		
Trading		
Cost of Bar Sales & Other Costs	£ 30,808.10	£ 28,158.08
Function Expenditure from Tickets	£ 42,294.06	£ 38,481.58
Function Expenditure from Subsidies	£ 34,853.37	£ 34,785.88
Additional VAT Cost	£ 1,556.10	£ 755.50
Xmas Draw Subsidy	£ 2,505.06	£ 2,780.79
Running Costs		
Performing Rights	£ 2,158.72	£ 2,474.78
Midweek Function	£ 1,271.22	£ -
Mess Guests	£ 963.11	£ 2,106.94
Newspapers & Periodicals	£ 45.00	£ 38.00
Dining Hall Extras	£ 1,014.63	£ -
Coffee/Tea	£ 8,394.29	£ 12,935.81
Coffee Machine Lease	£ 9,856.53	£ 9,178.24
Coffee Machine Maintenance	£ 5,696.89	£ 614.40
Repairs & Renewals	£ 93.97	£ 926.77
TV and Audio	£ 5,571.44	£ 347.76
Donations/Presentations/Leavers Gifts	£ 3,190.19	£ 733.28
Welfare & Sports	£ 1,000.00	£ 1,000.00
Christmas Decorations	£ 306.74	£ -
Insurances	£ 2,066.62	£ 2,074.48
Trophy Hire & Chubb Security	£ 620.83	£ 1,010.55
Internet	£ 720.00	£ 700.00
Misc Expenses	£ 10.44	£ -
Governance Costs		
Accounts and Examination	£ 2,575.00	£ 2,530.00
Support Costs		
Bank Charges	£ 3,736.77	£ 3,612.14
Card Machine	£ 1,528.20	£ 1,365.85
Printing, Postage & Stationery	£ 355.41	£ 142.51
Accounts Training	£ -	£ 187.50
Sage/Tills	£ 5,928.64	£ 5,116.20
Re-Valuation Cost	£ 480.00	£ -
Depreciation	£ 3,789.04	£ 2,880.88
Revalued Property Items	£ 4,400.00	£ -
	<u>£ 177,790.37</u>	<u>£ 154,937.92</u>
<i>Raising Funds</i>		
Private Functions	£ 271.40	£ 6,296.84
Shop Costs	£ 1,748.64	£ 1,426.60
	<u>£ 2,020.04</u>	<u>£ 7,723.44</u>
<i>Other Costs</i>		
Write off (Mess Bills/PAYD)	£ 77.21	£ 1,077.37
Total Expenditure	<u>£ 179,887.62</u>	<u>£ 163,738.73</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 24	£ 28,113.00
Additions	£ 8,004.04
Revalued Nelson's Column	£ (5,000.00)
Revalued Christmas Watercolour	£ 600.00
Depreciation	£ (3,789.04)
Property Valuation at 31 Mar 25	<u>£ 27,928.00</u>

Note 7A - Stocks

Bar Stock	£ 6,083.68
Shop Stock	£ 1,483.92
	<u>£ 6,083.68</u>

Note 8 - Miscellaneous Debtors and Prepayments

WOSR Mess	£ 138.77
COIF - Charities Deposit Interest	£ 37.17
Summer Ball 25 - Prepaid	£ 3,625.00
Trophy Hire 24/25 - Prepaid	£ 532.50
Performing Rights - Prepaid	£ 1,673.15
Chubb Security - Prepaid	£ 281.00
TV Licence - Prepaid	£ 113.00
PCCW Global - Internet Prepaid	£ 120.00
Coffee Lease - Prepaid	£ 135.00
Army Navy Rugby 25 - Prepaid	£ 1,472.84
	<u>£ 8,128.43</u>

Note 9 - Miscellaneous Creditors

Bar Purchases - Green King	£ 1,277.54
BOC Gas	£ 30.45
ATC Fund	£ 1,305.58
Armistice Day Fund	£ 41.21
PAYD	£ 3,932.82
Dry Cleaning	£ 30.13
PETS SLA	£ 75.00
ESS Milk	£ 100.39
ESS Dining Hall Extras	£ 71.08
ESS Midweek Functions	£ 57.30
Sound & Leisure	£ 94.38
HMRC - VAT on Function Subsidy	£ 1,556.10
PNIE	£ 655.00
Nesbits Revaluation Cost	£ 480.00
Summer Ball 25 - Prepaid Tickets	£ 155.84
Christmas Draw	£ 430.00
Card Charges	£ 18.00
Coffee - Liquidline	£ 927.22
	<u>£ 11,238.04</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 2025

				<u>Year to 31 Mar 24</u>	
Sales		£ 43,939.76		£ 46,633.98	
Cost of Sales:		£ 28,039.70		£ 25,445.52	
Gross Profit		£ 15,900.06		£ 21,188.46	
Less: Spillage/Pipecleaning	£1,630.93		£ 2,027.77		
Bar Sundries	<u>£1,137.47</u>		<u>£ 684.79</u>		
		£ 2,768.40		£ 2,712.56	
Net Profit		<u>£ 13,131.66</u>	29.9%	<u>£ 18,475.90</u>	39.6%
Gross Profit to Sales	36.2%		45.4%		
Gross Profit to Cost of All Sales (or average mark up)	56.7%		83.3%		

PN INDEPENDENT EXAMINATIONS

5 Nursery Road
Havant
Hants
PO9 3BG
☎ 07801 064450

The Commanding Officer
HMS Excellent

12 Apr 25

HMS EXCELLENT WARDROOM MESS FUND - EXAMINATION & ACCOUNTS – 31 MAR 25

1. The examination of the Wardroom Mess Fund for the year has been completed satisfactorily and the annual accounts are enclosed. 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 Treasurer, Miss Plaiter, had presented a comprehensive and accurate set of accounts for this year end examination and was readily on hand to answer any questions. In Jun 25 Miss Plaiter will be taking maternity leave but has had the good fortune to train up a stand in to cover this position whilst away. This forward planning is rarely seen in messes and so plaudits to ESS for realising the necessity.
4. The cash had been counted at year end by ESS staff but not by RN verifiers and the last surprise cash count was back in May 24 by the OCLogs. Bar stock was mustered by the Bar Supervisor and a Sub Lt. On the other hand, property had not been independently mustered.
5. The instant access COIF Charities deposit account held £10K earning interest of £481 (4.47%). However, the bank account held £211.1K whilst earning no interest. The committee should consider placing some of its spare reserves in this account to benefit from the 4.47% rate.

Property

6. The non-depreciating artifacts, of which there were only three, had been professionally re-valued as per BRd18 Art 0610 and Charity Commission requirements. The Nelson's Column statuette was valued at £10K which was a reduction from its purchase price, nearly 20 years ago, of £15K. The Christmas watercolour had increased by £0.6K to £1K and the value of the 'Smoke Of Battle' painting had not changed.

7. The depreciating items held totalled £16.8K after additions including garden furniture and then deductions for depreciation.

8. The Trophy Centre items will be fully mustered to determine if the mess committee wish to keep them or return some to the Trophy Centre and if the committee wish to insure these items. BRd18 0706(b) strongly recommends that messes in establishments have insurance.

Mess Subscriptions and Debtors

9. There were no mess members who had debts older than three months. An excellent job by Miss Plaiter with support from the committee. A decision was made not to pursue debts under £1.70, the cost of a stamp needed to chase these members.

10. It is recommended that a minimum price is put on any card sales as anything costing less than a £1 does not show on a mess bill and so does not get charged to the mess member. These small sales that were written off totalled £640 in this year. A substantial amount to ignore!

11. The income from military subscriptions had fallen by £4.8K to £85.6K, which more than covered the running costs of £65.8K. Income from Associate Members' subscriptions had increased marginally to £9K.

Expenditure

12. Costs of note compared to Mar 24 were:

- Midweek functions such as Cheese & Wine evenings cost £1.3K. No Mar 24 costs.
- Dining Hall Extras cost £1K. No Mar 24 comparison.
- TV and Audio totalled £5.6K (£347). Mainly due to the subscription of Sky TV and screen in the bar.
- Gifts had increased by £2.5K to £3.2K.
 - Leavers gifts - £1.3K.
 - Staff gift vouchers at Christmas - £1.1K.
 - Charity Donations - £700.
- Professional re-valuation costs were £480.

Bar

13. The paperwork presented by the Bar Supervisor for the actual quantities mustered did not correspond with the figures in the report generated from the till. It was difficult to see why there was a mismatch. It would assist PNIE if clearer information were provided.

14. There had been issues up to Sep 24 with the selling and cost prices and inaccurate stock musters. These are reported to have been resolved since the new Bar Supervisor took over.

15. The bar sales had fallen by £2.7K to £43.9K making a net profit of £13.1K (29.9%) compared to the previous year figure of £18.5K (39.6%).

16. It is understood that the committee is looking into sourcing a new till system for the bar that will provide the information they require. Such as function pricing tiers, which, surprisingly, the current tills are unable to supply.

Functions/Finances

17. Service messes have a special arrangement with HMRC whereby mess subscriptions paid by Service personnel, which are compulsory and meet the running costs of the 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.

18. The function subsidy at this year-end was £34.9K. Taxable trading income (Associate fees, bar profit, private function profit, and shop profit) totalled £25.5K which meant that £9.3K came from untaxed military mess subscriptions leading to an additional VAT bill to pay of £1.6K.

Summary

19. The net worth of the mess had increased by £9.5K to £266.6K, this included property and stock totalling £35.5K. Cash, bank and deposit assets totalled £222.2K which more than covered the £11.9K liabilities. The main reasons for the increase were due to: -

- Military subscription income exceeded the running costs by £19.8K.
- Offset by the Christmas Draw subsidy of £2.5K and the £9.3K function subsidies not funded by profits.

M L Butcher
PN Independent Examinations

Information:

Mess President