

***WARRANT OFFICERS', SENIOR RATINGS' and
SENIOR NON COMMISSIONED OFFICERS' MESS***

HMS EXCELLENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

For Period

1 November 2020 to 31 October 2021

Registered Charity No. 1129720

Trustees' Annual Report and Comments

Warrant Officers', Senior Ratings' and Senior Non Commissioned Officers' Mess HMS EXCELLENT

Charity Registered No:	1129720
Covering Accounting Year:	1 November 2020 to 31 October 2021
Address:	HMS EXCELLENT Whale Island Portsmouth PO2 8ER
Governing Document:	Constitution (Mess Rules)
Objects:	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 HMS EXCELLENT and lodger units located on Whale Island.
Trustee:	Commander S Turnbull MA Royal Navy
Trustee selection method:	Appointed as such by the Naval Secretary.
Bankers	Lloyds Banking Group North End Portsmouth RBS/Holts Lawrie House Victoria Road Farnborough GU14 7NR
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 restricted social programme due to Covid for its members. Profits from the bar and other trading activities provided the funds for subsidies for social functions.
Financial Review:	The fund ended the year with an increase of £4.5K to £101.2K in net assets. Running costs had been much reduced over the year because of Covid restrictions. Liquid assets held in cash, bank and deposit accounts totalled £82.4K to cover liabilities of £15.1K.

Investment Selection Policy:	No investments were held.
Financial Reserves Policy:	The Trustee has considered the level of reserves to retain, appropriate to the charity's needs. Reserves of £16.5K are held in a deposit account. 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:	Grants may be made to mess members to assist with the personal contributions to those sporting or other activities.
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. 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 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 *Signed on Original*

Name Commander S Turnbull MA Royal Navy.

Appointment Commanding Officer and sole Managing Trustee

Date 31 January 2022

Independent Examiner's Report to the Trustee of the Warrant Officers', Senior Ratings' and SNCOs' Mess HMS Excellent.

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

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

M L Butcher FMAAT
5 Nursery Road
Havant
Hants PO9 3BG

31 January 2022

HMS EXCELLENT WOs, SRs & SNCOs MESS FUND

Registered Charity No 1129720

BALANCE SHEET

31-Oct-21

31-Oct-20

<i>Fixed Assets</i>	<i>Note</i>			
Property	7	£	10,619.00	£ 10,950.00
<i>Current Assets</i>				
Stocks	8	£	6,640.42	£ 6,321.45
Mess Subscriptions due		£	7,579.80	£ 7,725.00
Misc Debtors & Prepayments	9	£	9,030.04	£ 17,690.90
Cash& Floats		£	8,971.26	£ 7,296.29
Current Accounts		£	56,928.16	£ 49,327.87
Charities Deposit A/C		£	16,533.76	£ 16,531.55
		£	105,683.44	£ 104,893.06
<i>Liabilities</i>				
Moby Dicks		£	-	£ 3,144.90
Creditors	10	£	15,107.52	£ 15,991.41
		£	15,107.52	£ 19,136.31
Net current assets		£	90,575.92	£ 85,756.75
Net Assets			<u>£ 101,194.92</u>	<u>£ 96,706.75</u>

Approved on 31 January 2022

Signed on Original
Commander S Turnbull MA Royal Navy

Sole Managing Trustee

HMS EXCELLENT WOs, SRs & SNCOs MESS FUND

STATEMENT OF FINANCIAL ACTIVITIES

For Year ended 31 October 2021

Income from:	Notes		<u>Year to 31 Oct 20</u>
Grants		£ -	£ 2,400.00
Charitable Activities		£ 64,528.65	£ 93,206.92
Other Trading Activities		£ 6,044.79	£ 5,071.45
Investments		£ 7.67	£ 99.70
Total	3	<u>£ 70,581.11</u>	<u>£ 100,778.07</u>
Expenditure on:			
Raising Funds		£ 5,033.61	£ 4,091.69
Charitable Activities		<u>£ 49,515.26</u>	<u>£ 77,377.42</u>
Total	4	<u>£ 54,548.87</u>	<u>£ 81,469.11</u>
Net income (expenditure)		£ 16,032.24	£ 19,308.96
Previous Year Corrections		£ (11,544.07)	£ -
Net movement in Funds		£ 4,488.17	£ 19,308.96
Total funds brought forward		£ 96,706.75	£ 77,397.79
Total funds carried forward		<u>£ 101,194.92</u>	<u>£ 96,706.75</u>

HMS EXCELLENT WOs, SRs & SNCOs MESS FUND

NOTES TO THE ACCOUNTS

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 Act 2011.

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.
- 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. The Mess does not have a policy of revaluation. Depreciation is monthly, straight line and over the estimated life of the item.
- b. Stocks are valued at the lower of cost or market value.

Note 2 - Investments

The mess has no investments

Note 3 - Income from

	<u>Year to Oct 20</u>	
<i>Donations</i>		
Grants	£ -	£ 2,400.00
<i>Charitable Activities</i>		
Mess Subscriptions	£ 43,330.68	£ 52,853.50
Associate Mess Subscriptions	£ 615.00	£ 2,979.50
Bar Sales	£ 15,679.15	£ 24,574.63
Mess Functions	£ 688.80	£ 8,889.94
Private Functions - Mess Members	£ 4,191.20	£ 3,851.60
Misc Income	£ 23.82	£ 57.75
	<u>£ 64,528.65</u>	<u>£ 93,206.92</u>
<i>Other Trading Activities</i>		
Private Functions - Non Mess Members	£ 4,177.59	£ 2,760.63
Tablecloth Hire	£ -	£ 225.60
Facilities Hire	£ 120.00	£ 250.00
Mess Port	£ 1,409.67	£ 1,570.99
Mess Shop Income	£ 337.53	£ 264.23
	<u>£ 6,044.79</u>	<u>£ 5,071.45</u>
<i>Investment Income</i>		
Interest Received	<u>£ 7.67</u>	<u>£ 99.70</u>
Total Income	<u><u>£ 70,581.11</u></u>	<u><u>£ 100,778.07</u></u>

Note 4 - Expenditure

Raising Funds

Year to Oct 20

Private Functions - Non Mess Members	£ 4,177.59		£ 2,666.58
Mess Port	£ 631.16		£ 1,228.63
Mess Shop	£ 224.86		£ 196.48
		£ 5,033.61	£ 4,091.69

Charitable Activities

Trading Costs

Entertainment & Functions (from tickets)	£ 688.80	£ 8,889.94
Private Functions - Mess Members	£ 4,191.21	£ 3,882.46
Function Subsidies	£ 2,202.95	£ 8,031.30
Minor Functions	£ 522.21	£ 257.12
Bar Costs	£ 10,738.41	£ 19,724.30

Mess Running Costs

Mess Guests	£ 153.98	£ 3,928.22
TV Video & Audio	£ 6,285.55	£ 4,655.38
Newspapers	£ 328.50	£ 1,580.95
Coffee	£ 10,708.88	£ 12,635.29
Water Dispense Machine	£ 300.00	£ -
Insurance & Trophy Hire	£ 946.26	£ 879.60
Grants	£ 75.00	£ 182.50
Welfare Grant	£ 1,000.00	£ -
Flowers & Presentations	£ 217.91	£ 50.00
Leaving Gifts	£ -	£ 172.48
Performmg Rights	£ 430.82	£ 885.19
Dining Hall Extras	£ -	£ 395.90
Refurbishment	£ 406.51	£ 321.97
Repairs, Renewals & Improvements	£ 1,705.49	£ 380.75
Misc Expenditure	£ 72.80	£ 1,549.47

Governance Costs

Account Examination	£ 2,170.00	£ 2,040.00
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Support Costs

Sage/IT	£ 164.98	£ -
Postage, Printing & Stationery	£ -	£ 45.48
Bank Charges	£ 1,644.94	£ 1,303.25
Committtee	£ 122.11	£ 210.87
Depreciation	£ 4,437.95	£ 5,375.00

£ 49,515.26

£ 77,377.42

Total Expenditure

£ 54,548.87

£ 81,469.11

Note 5 - Paid Employees

- No wages were paid.
- There were no full time employees paid by the fund.

Note 6 - Trustees and Other Related Parties

- No expenses or emoluments have been paid to the sole Managing Trustee
- There are currently no related party transactions.
- There are no amounts due to or from the sole Managing Trustee

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

Property Valuation as at 1 Nov 20	£ 10,950.00
Additions	£ 4,106.95
Depreciation/Disposals	£ (4,437.95)
Property Valuation at 31 Oct 21	<u>£ 10,619.00</u>

Note 8 - Stocks

Bar	£ 4,980.09
Mess Port	£ 595.56
Mess Shop	£ 1,064.77
	<u>£ 6,640.42</u>

Note 9 - Miscellaneous Debtors and Prepayments

Bar Sales in Hand	£ 164.60
Associate Member Fees	£ 665.00
Trophy Hire	£ 28.00
Mestival - Postponed to 2022	£ 5,706.80
Christmas Ball 2021 Expenditure	£ 2,036.64
Insurance prepaid	£ 362.00
PRS prepaid	£ 67.00
	<u>£ 9,030.04</u>

Note 10 - Creditors falling due within one year

Bar - BOC	£ 153.10
Christmas Ball 2021 Ticket Income	£ 1,695.84
Xmas Draw tickets prepaid	£ 1,242.16
PNIE	£ 545.00
Newspapers	£ 36.00
DLA Charges	£ 2,098.58
Function Deposits	£ 8,058.05
ESS Bar Snacks	£ 1.05
Charity Bottle	£ 252.92
Meat Raffle	£ 50.86
Corp Birthday	£ 642.38
VAT	£ 190.38
Dry Cleaning	£ 141.20
	<u>£15,107.52</u>

Note 11 - There are no restricted or designated funds.

Note 12 - 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 financial year.
- All the fund's operations are continuing operations.
- 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

12 months to 31 Oct 21

12 months to 31 Oct 20

Sales		£ 14,602.30		£ 22,220.33
Sales at cost		<u>£ 1,076.85</u>		<u>£ 2,354.30</u>
		£ 15,679.15		£ 24,574.63
Opening Stock at 1 Nov 20	£ 4,283.60		£ 7,293.18	
Add: Purchases	<u>£ 9,466.27</u>		<u>£ 12,851.03</u>	
	£ 13,749.87		£ 20,144.21	
Less: Closing Stock at 31 Oct 21	<u>£ (4,980.09)</u>		<u>£ (4,283.60)</u>	
Total Cost of Sales		<u>£ 8,769.78</u>		<u>£ 15,860.61</u>
Gross Profit		£ 6,909.37		£ 8,714.02
Gross profit to sales (excl at cost)	47.3%		39.2%	
Gross profit to all sales	44.1%		35.5%	
Gross profit to cost of sales (ie av mark up)	78.8%		54.9%	
Bar Expenses:				
Pipeclean	£ 392.51		£ 861.47	
Spoilage/Spillage	£ 418.40		£ 209.73	
Covid Write Off	£ -		£ 596.10	
Bar Sundries	<u>£ 1,157.72</u>		<u>£ 2,196.39</u>	
Total Bar Expenses		<u>£ 1,968.63</u>		<u>£ 3,863.69</u>
Net Profit		£ 4,940.74	34%	£ 4,850.33 22%

Port Trading Account

Port Sales	£ 1,409.67	£ 1,570.99
less cost of Sales	<u>£ (631.16)</u>	<u>£ (1,228.63)</u>
Profit	<u><u>£ 778.51</u></u>	<u><u>£ 342.36</u></u>

Shop Trading Account

Shop Sales	£ 337.53	£ 264.23
less cost of Sales	<u>£ (224.86)</u>	<u>£ (196.48)</u>
Loss/Gain	<u><u>£ 112.67</u></u>	<u><u>£ 67.75</u></u>

PN INDEPENDENT EXAMINATIONS

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Hants
PO9 3BG

☎ 07801 064450

The Commanding Officer
HMS Excellent

7 Jan 22

HMS EXCELLENT WARRANT OFFICERS' & SENIOR RATINGS' MESS – ANNUAL EXAMINATION & ACCOUNTS – 31 OCT 21

1. The examination of the WO, SR & SNCO's Mess for the year ending 31 Oct 21 has been completed satisfactorily. A set of accounts is enclosed. After approval it should be made available for mess members. In addition, the on-line annual report to the Charity Commission should be completed including uploading PDF versions of these accounts and the Trustees Annual Report.
2. It had been a mixed year with Covid restrictions preventing the mess from performing its normal programme of official functions and postponing several booked private functions. It also meant the bar had closed at certain times as well. However, the last quarter of the year began to look as though the mess was regaining some normality again.
3. The accounts and documentation were well presented. Cash had been independently counted. There were no surprise counts in year but there had been a surprise count in Nov 21 by the OC Logs.
4. The property register was updated by PNIE. Although there had been no muster, the committee was aware and will be checking that all the depreciating items are still in use. In addition, the committee intends to employ a professional valuer in the next few months to revalue the non-depreciating artefacts. The total value of the property after depreciation was £10.6K.
5. Military mess subscriptions totalled £43.3K, which was down £9.5K compared to last year, but this was due to reduced fees being charged at certain times of the year. Full fees have now returned. Associate members were charged half fees for the year due to Covid and the total received at year end was £665. The Associates Rep continues an exercise to find out which members wish to keep membership.
6. The mess debtors were well controlled with just 12 members with debts older than three months and these totalled £361. However, the Treasurer reported that these had been paid after year end.
7. Trading Areas:

- Bar sales had done quite well considering the closures and totalled £14.6K leading to a £5K net profit (34%). To compare with a “normal” year, in 2019, the net profit was £18K (32%).
- Port had made a profit of £780. An independent muster was completed.
- The shop made a profit of £112. The muster was completed independently.
- The private functions facilities charge produced a small income of £120.

8. In Dec 21, the ESS Bar Supervisor stepped down. ESS will recruit a replacement as soon as possible. Committee members WO1 Bratherton and CSgt Michelsen have taken up the mantle and are updating the processes and stock control. New EPOS tills have been purchased to ensure accurate sales, purchases, and stock levels are maintained. They will be responsible for the set up and staff training until a new bar supervisor is employed. Of course, this should not be necessary as ESS should have taken responsibility for the bar staff and their training and employed an experienced bar supervisor.

9. Function subsidies were up by £2.2K. However, this was covered by the taxed profits from the trading areas and associate members’ fees which meant there would be no additional VAT to pay.

10. Mess fees more than covered the mess running costs of £31.2K. Some notable costs included:

- TV costs had increased by £1.6K to £6.3K compared to last year. In the “normal” year of 2019 they were £6.6K.
- Coffee costs had fallen by £1.9K to £10.7K. In 2019 costs were £15.8K
- Newspapers recommenced late in the year with costs of just £328. They were £1.8K in 2019.

11. There was a previous year accounting correction of £11.5K, which was explained in the previous report.ⁱ

12. Summary The net worth of the mess increased by £4.5K to £101.2K of which £17.3K was represented by property and stock. The bank and deposit accounts which held £82.4K easily covered liabilities of £15.1K.

M L Butcher
PN Independent Examinations

Information:

Mess President

ⁱ PNIE report dated 10 Sep 21 Para 13.