

***THE WARDROOM***

***HMS HERON***

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For Period**

**1 May 2021 to 30 April 2022**

**Registered Charity No. 1133200**

## Trustees' Annual Report and Comments

The Wardroom HMS HERON

Charity Registered No:	1133200
Covering the Accounting Year:	1 May 2021 to 30 April 2022
Address:	RNAS Yeovilton Ilchester Somerset BA22 8HT
Governing Document:	Constitution (and Mess Rules)
Objects:	Promotion of the Military Efficiency and Operational Effectiveness of the Armed Forces by the provision of mess facilities to Commissioned Officers serving in the Royal Naval Air Station, Yeovilton.
Trustee:	Commodore N R Griffin MBE Royal Navy
Trustee selection method:	Appointed as such by the Naval Secretary.
Bankers:	Lloyds TSB 9 High St Yeovil
Independent Examiner:	M L Butcher FMAAT 5 Nursery Road Havant 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 past year has seen the mess put on social programme inline with covid restrictions for its members and generous subsidies were provided to mess functions.
Financial Review:	The Wardroom had increased its value by £7.1K and was worth £382.8K at year end. Of this figure £228K was represented by property and bar stock. The bank and cash assets of £150.3K more than covered the liabilities of £20.2K.
Financial Reserves Policy:	The Trustee has considered the level of reserves that is required appropriate to the charity's needs. This is set at £40K. 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.
Investment Selection Policy:	No investments are held.

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: 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.

*Signed on Original*

Name	Commodore N R Griffin MBE Royal Navy
Appointment	Commanding Officer and sole Managing Trustee
Date	31 May 2022

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

I report on the accounts of the Charity for the year ended 30 April 2022, 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*

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

31 May 2022

# HMS HERON WARDROOM MESS FUND

REGISTERED CHARITY No 1133200

## BALANCE SHEET

30-Apr-22

		Note			30-Apr-21
<u>ASSETS</u>					
<u>Fixed Assets</u>					
Mess Property	7		£ 216,973.00		£ 209,564.00
<u>Current Assets</u>					
Stocks at Cost:	7A	£ 10,996.23		£ 9,412.04	
Messbills & Function Payments Due		£ 22,759.69		£ 7,082.69	
Misc Debts & Prepayments	8	£ 1,971.00		£ 3,612.00	
Bank Accounts		£ 145,406.58		£ 155,618.56	
Cash & Floats		£ 4,925.20		£ 2,895.27	
Total Current Assets		<u>£ 186,058.70</u>		<u>£ 178,620.56</u>	
<u>LIABILITIES</u>					
Trade & Misc Creditors	9, 9A	£ 10,338.21		£ 8,767.85	
Squadron Funds	9B	£ 7,880.10		£ 4,158.56	
VAT		£ 1,977.12		£ (279.38)	
Current Liabilities		<u>£ 20,195.43</u>		<u>£ 12,647.03</u>	
Net Current Assets			£ 165,863.27		£ 165,973.53
Net Assets			<u>£ 382,836.27</u>		<u>£ 375,537.53</u>

Approved on 31 May 2022

*Signed on Original*

Commodore N R Griffin MBE  
Sole Managing Trustee

**HMS HERON WARDROOM MESS FUND**  
**STATEMENT OF FINANCIAL ACTIVITIES**

**For year to 30 Apr 22**

	<i>Note</i>	<i>Previous Year</i>
<b>Income</b>		
Charitable activities	<u>£ 166,943.61</u>	<u>£ 68,930.85</u>
Total Income	3    £ 166,943.61	£ 68,930.85
<b>Expenditure</b>		
Charitable Activities	<u>£ 159,797.21</u>	<u>£ 58,882.46</u>
Total Expenditure	4    £ 159,797.21	£ 58,882.46
Income exceeds Expenditure	£ 7,146.40	£ 10,048.39
Previous Year Correction	£ 152.34	£ -
Gain (Loss) in Market Value of Investment	£ -	£ 5,224.95
Net income/expenditure	<u>£ 7,298.74</u>	<u>£ 15,273.34</u>
Total Funds Brought Forward	£ 375,537.53	£ 360,264.19
Total Funds Carried Forward	<u><b>£ 382,836.27</b></u>	<u><b>£ 375,537.53</b></u>

## HMS HERON WARDROOM MESS FUND

### Notes to the Accounts dated 30 April 2022

#### 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 Act 2011.

##### 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. Paintings, furniture, works of art, silver and books were valued 2011.
- b. Depreciating 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 of the item. Depreciation is not allocated to activity costs as the use is varied.
- c. Stocks are valued at the lower of cost or market value.

#### Note 2 - Investments

No Investments

#### Note 3 - Income

	<u>Year to 30 Apr 22</u>	<u>Previous Year</u>
<i>Charitable Activities</i>		
Mess Subs	£ 49,981.42	£ 41,710.00
Associate Subscriptions	£ 4,673.26	£ 4,205.37
Entertainment Levy	£ 17,191.05	£ 4,211.51
Official Function Income	£ 43,076.11	£ -
Private Functions Income	£ 2,112.54	£ 421.44
Livers In Function	£ 140.00	£ -
Bar income	£ 46,650.94	£ 12,241.53
Shop Income	£ 2,144.10	£ 944.04
Cabin Cleaning - Pets	£ 450.00	£ 200.00
Catering Sundries	£ 285.39	£ 84.99
Stamps	£ 0.85	£ -
Misc Income	£ 237.95	£ 4,911.97
	£ 166,943.61	£ 68,930.85
<b>Total Income</b>	<b>£ 166,943.61</b>	<b>£ 68,930.85</b>

**Note 4 - Resources Expended**

	<u>Year to 30 Apr 22</u>		<u>Previous Year</u>
<i>Charitable Activities</i>			
Trading Costs			
Function expenses from tickets	£	43,076.11	£ -
Functions expenses from subsidy	£	27,932.48	£ -
Private Functions	£	2,102.95	£ 421.44
Livers In Function	£	397.98	£ -
Licences	£	1,261.00	£ 196.71
Bar Expenses	£	35,990.64	£ 13,743.80
Shop Expenses	£	1,908.62	£ 884.98
Mess Running Costs			
Insurances	£	3,718.06	£ 4,480.06
Trophy Hire	£	368.00	£ 486.22
Dining Hall Extras	£	7,259.60	£ 7,940.73
Repairs & Renewals	£	2,429.95	£ -
Refurbishment	£	29.08	£ -
Newspapers & Periodicals	£	3,709.26	£ -
Internet/telephone	£	821.58	£ 1,008.22
TV and Video	£	5,635.91	£ 4,581.95
Leavers Gifts	£	1,996.38	£ 4,544.21
Tea & Coffee	£	5,741.25	£ 3,391.11
Garden Project	£	35.92	£ -
Cleaning	£	94.77	£ 11.98
Mess Bill & Bad debt write off	£	-	£ 25.00
Misc Expenses	£	9.59	£ -
Governance Costs			
Examination of Accounts	£	1,750.00	£ 1,677.50
Support Costs			
Office Costs	£	173.56	£ 289.79
Bank/Card Charges	£	2,607.31	£ 2,127.20
IT Support	£	3,119.65	£ 5,925.56
Depreciation	£	7,627.56	£ 7,146.00
		£ 159,797.21	£ 58,882.46
<b>Total Expenditure</b>		<u>£ 159,797.21</u>	<u>£ 58,882.46</u>

**Note 5 - Paid Employees**

a. There were no paid employees.

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

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

**Note 7 - Tangible Fixed Assets - Property Account**

	Non Depreciating	Depreciating
As at 1 May 21	£ 193,900.00	£ 15,664.00
Additions		£ 15,036.56
Less Depreciation		£ (7,627.56)
As at 30 Apr 22	<u>£ 193,900.00</u>	<u>£ 23,073.00</u>

**Note 7A - Stocks**

Wine	£ 8,532.52
Shop/Sundries	£ 98.67
Postage	£ 71.94
Coffee	£ 969.00
Tankards	£ 1,324.10
	<u>£ 10,996.23</u>



**Note 8 - Prepayments, Misc Debtors**

Insurance prepaid	£ 1,858.00
CETSAT Internet Support	£ 60.00
TV Licence	£ 53.00
	<u>£ 1,971.00</u>

**Note 9 - Trade Creditors**

BOC Ltd	£ 100.20
EPOS Now	£ 48.00
CJ's News - Newspapers & Magazines	£ 487.63
BT Broadband	£ 159.94
Sky	£ 440.40
Matthew Clark	£ 0.03
BT Sport	£ 124.72
Cardnet	£ 39.60
Lloyds Bank Charges	£ 9.90
Bottomline	£ 124.97
	<u>£ 1,535.39</u>

**Note 9A - Other Creditors**

Bed Linen Charges	£ 302.10
Key deposits	£ 465.00
Crown Food & Accom	£ 1,764.13
DIO Room Hire	£ 5,115.59
PRS/PPL - Estimate	£ 125.00
Christmas Draw	£ 120.00
Trophy Hire - Estimate	£ 31.00
PNIE	£ 880.00
	<u>£ 8,802.82</u>

**Note 9B - Held for Other Funds**

ATCO Fund	£ 232.03
AED Fund	£ 520.00
CHF Fund	£ 2,244.00
1AAC Officers' Fund	£ 610.00
815 Fund	£ 661.00
825 Fund	£ 846.10
845 Fund	£ 285.00
846 Fund	£ 260.00
LWMF CTP	£ 2,221.97
	<u>£ 7,880.10</u>

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

There are 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 for year ended 30 Apr 22

			<i>Previous Year</i>
Sales	£ 44,654.20		£ 10,248.31
Sales at Cost	£ 1,993.22		£ 1,993.22
	£ 46,647.42		£ 12,241.53
Cost of sales	£ 33,554.78		£ 11,750.58
Gross Profit	£ 13,092.64		£ 490.95
Gross Profit/Sales =%		29.3%	4.8%
Gross Profit/Cost of Sales = % (i.e average mark up)		39.0%	4.2%
Less:			
Pipecleaning/Ullage	£ 336.54	0.8%	£ 119.22 1.2%
Ullage/Spillage	£ 562.67		£ 51.00
Bar Sundries	£ 1,536.65		£ -
Less Wastage due to COVID-19	£ -		£ 1,823.00
	£ 2,435.86		£ 1,993.22
Net Profit (Loss)	£ 10,656.78	22.8%	£ (1,502.27) -14.7%

## Shop Trading for year ended 30 Apr 22

			<i>Previous Year</i>
Sales	£ 2,144.10		£ 944.04
Cost of sales	£ 1,908.62		£ 884.98
Gross Profit	£ 235.48		£ 59.06
Gross Profit/Sales =%		11.0%	6.3%
Gross Profit/Cost of Sales = % (i.e average mark up)		12.3%	6.7%

## PN INDEPENDENT EXAMINATIONS

5 Nursery  
Road  
Havant  
Hants  
PO9 3BG  
  
07801 064450

The Commodore  
Royal Naval Air Station  
Yeovilton

11 May 22

### **THE WARDROOM MESS FUND - EXAMINATION AND ACCOUNTS FOR THE YEAR ENDING 30 APR 22**

1. The examination of the Wardroom fund for the year ending 30 Apr 22 has been completed satisfactorily. Two copies of the accounts are enclosed, one for the pack and one to be returned to the Treasurer after approval.
2. A draft Trustee's Annual Report (TAR) is also enclosed. After approval, PDF versions of the annual accounts and the TAR should be uploaded to the Charity Commission website as part of the process of completing the annual return. It is understood that in this mess this task falls to the Mess Treasurer.
3. The accounts were again very well presented by the Mess Accountant, Mrs Jackson. Disappointingly, no independent cash, stock or property musters had been completed by naval verifiers, nor had there been any surprise counts of cash.
4. PNIE updated the Register with additional depreciating items that were purchased this year.
  - ☐ Non depreciating artefacts - £193.9K
  - ☐ Depreciating mess property - £23.1K

There was no property muster. It was unclear which paintings in the Wardroom were mess property and which belonged to the RN Trophy Centre. It is understood that the exercise to muster holdings of owned and loaned paintings and review the valuations (Committee minutes Jan 22) has yet to take place.

5. Bar stock was not mustered at year end by either the contractor's staff or, independently, by a naval verifier. Therefore, the Mess Accountant adjusted the figures from an earlier stock muster to produce the unchecked end of year figure of £8.5K.
6. The bar has only two contractor staff and no supervisor. Tasks such as musters, investigating variances, daily paperwork processing, and deliveries and cost monitoring, which are normally performed by the

supervisor, are now being distributed amongst ESS staff who have other roles and the bar staff. The bar staff do not have the experience to complete these functions. Inevitably this means mistakes had been made, such as till input and item quantity errors on musters. More training is required, and the errors highlight the necessity to have a person to oversee the bar routines and staff. The Mess Accountant helps but it is not within her remit.

7. Bar sales were £44.6K making a net profit of £10.6K (22.7%). This was much improved on last year, which was affected by the Covid closures. To compare to a normal year, in 2019 sales were £70.8K with a net profit of £12.3K (17.4%).

8. There were no other independent musters by naval verifiers, but musters of shop, postage, tankards and coffee were completed by the contractor's staff.

9. Monthly income from military mess subscriptions was gaining momentum and totalled nearly £50K (but in the pre Covid 2019 it was £72.3K). Associate and civilian subscriptions received were £4.7K (2019 - £8K). So, although less than in "normal times", a vast improvement from the Covid years.

10. There was one mess bill which was outstanding and older than three months - mess number 3022 £786.50. The Mess President is aware and will contact the debtor. Other than this case, the mess debtors' situation remained very well controlled.

11. In addition to the subscription the mess also charges a monthly £5 Entertainment Levy, although this sum is taxable. This raised £17.2K after deduction of VAT.

12. After eighteen months without functions, this year saw five official mess events take place. Although the Christmas Ball was cancelled at short notice, the bulk of the costs were recovered or able to be transferred to later events. Function subsidies totalled £27.9K. However, the already taxed bar profits, associates' fees and the Entertainment Levy exceeded this figure and therefore there will be no additional VAT bill.

13. The income from military subscriptions exceeded the running costs of £48K by £2K.

14. Some notable expenditure:

- Newspaper & magazine returned after Covid restrictions and costs totalled £4.2K.
- Tea and coffee costs had risen by £2.4K to £5.7K (2019 costs were £7.1K).
- Bank and card charges were £2.8K.
- IT Support costs were £3.1K, down £2.8K compared to last year and down £4.3K compared to £7.4K in 2019.

Summary

15. The Wardroom had increased its value by £7.1K and was worth £382.8K at year end. Of this figure £228K was represented by property and bar stock. The bank and cash assets of £150.3K more than covered the liabilities of £20.2K

M L Butcher  
PN Independent Examinations