

***WARDROOM MESS***

***HMS NELSON***

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For Period**

**1 April 2018 to 31 March 2019**

**Registered Charity No. 1128774**

## Trustees' Annual Report and Comments

Wardroom Mess HMS NELSON

|                               |   |
|-------------------------------|---|
| Charity Registered No:        | 1128774   |
| Covering the Accounting Year: | 1 April 2018 to 31 March 2019   |
| Address:                      | HMS NELSON<br>Queen Street<br>Portsmouth PO1 3HH  |
| Governing Document:           | Constitution (Mess Rules)   |
| Objectives:                   | Promotion of the Military Efficiency and Operational Effectiveness of the Armed Forces by the provision of mess facilities to Commissioned Officers serving in the Her Majesty's Naval Base Portsmouth.   |
| Trustee:                      | Commodore J G Higham OBE Royal Navy (until 26 March 2019)<br>Commodore J Bailey Royal Navy (From 27 March 2019)   |
| Trustee selection method:     | Appointed as such by the Naval Secretary.   |
| Bankers                       | RBS Holts<br>Lawrie House<br>Victoria Road<br>Farnborough GU14 7NR  |
| Independent Examiner:         | Peter Nicholls MBE MAAT<br>5 Nursery Road<br>Havant<br>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. In the past year the mess has put on a full social programme for its members. Generous subsidies have been provided to selected functions from the profits made from the bar and other taxable activities  |
| Financial Review              | Although it had no need to do so, the fund continued to grow and gained £10.7K over the year. £7.4K came from its normal business plus a further £3.3K gain, on paper, of the value of investments. The fund was worth £573K of which £230K was represented by property and stock. Of the remaining £343K, £199K was in the form of the investments, leaving £144K available for cash flow and spending on mess improvements. |

|                              |   |
|------------------------------|---|
| Investment Selection Policy. | The investment funds are managed by Quilter Cheviot. The objective is to grow the capital value of the portfolio as well as generating some degree of income from the portfolio. Medium risk, can accept moderate variation or disruption to capital value or current income in order to meet the longer term objectives.   |
| Financial Reserves Policy:   | The Trustee has considered the level of reserves he wishes to retain, appropriate to the charity's needs. 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 but is aware that significant reserves may be required when the Wardroom moves to a new site.   |
| Grant Policy:                | Grants may be made to mess members to assist with the personal contributions to sporting, adventurous training or other activities where this is not available from the Leisure and Amenities Fund.   |
| 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> |

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.

Declaration:

I declare, in my capacity of Charity Trustee, that I have approved the above report.

Signature

*Signed on Original*

Name

Commodore J Bailey Royal Navy.

Appointment

Naval Base Commander and sole Managing Trustee

Date .....

31 May 2019

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

I report on the accounts of the Charity for the year ended 31 March 2019 which are set out in pages 1 to 8 and accompanying notes.

### **Respective responsibilities of trustee 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. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a licenced member of the Association of Accounting Technicians.

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

31 May 2019

# HMS NELSON WARDROOM MESS

Registered Charity No 1128774

## BALANCE SHEET

31 March 2019

31-Mar-18

|                                    |      |                            |                            |
|------------------------------------|------|----------------------------|----------------------------|
| <u>Fixed Assets</u>                | Note |                            |                            |
| Mess Property                      | 7    | £ 193,082.64               | £ 189,866.41               |
| Investments                        | 2    | <u>£ 199,286.00</u>        | <u>£ 195,990.00</u>        |
| Total Fixed Assets                 |      | £ 392,368.64               | £ 385,856.41               |
| <u>Current Assets</u>              |      |                            |                            |
| Stock                              | 7A   | £ 36,730.82                | £ 40,002.31                |
| Mess Bills & Function Payments due |      | £ 24,563.19                | £ 29,469.53                |
| Debtors & Prepayments              | 8    | £ 5,623.00                 | £ 3,899.61                 |
| Cash (inc Floats)                  |      | £ 4,538.63                 | £ 3,004.15                 |
| Current Accounts                   |      | £ 76,525.16                | £ 70,142.48                |
| Fairfax Prepaid Card               |      | £ 1,682.47                 | £ 1,729.31                 |
| Scottish Widows Deposit Account    |      | <u>£ 56,949.90</u>         | <u>£ 51,932.71</u>         |
| Total Current Assets               |      | <u>£ 206,613.17</u>        | <u>£ 200,180.10</u>        |
| <u>Liabilities</u>                 |      |                            |                            |
| Creditors                          | 9    | £ 26,114.24                | £ 23,590.19                |
| VAT due or (refundable)            |      | <u>£ (348.64)</u>          | <u>£ (114.95)</u>          |
| Total Current Liabilities          |      | <u>£ 25,765.60</u>         | <u>£ 23,475.24</u>         |
| Net current assets                 |      | <u>£ 180,847.57</u>        | <u>£ 176,704.86</u>        |
| <b>Net Assets</b>                  |      | <b><u>£ 573,216.21</u></b> | <b><u>£ 562,561.27</u></b> |
| Funds:                             |      |                            |                            |
| General Fund                       |      | £ 565,216.21               | £ 558,561.27               |
| Insurance Provision (Designated)   |      | <u>£ 8,000.00</u>          | <u>£ 4,000.00</u>          |
|                                    |      | <b><u>£ 573,216.21</u></b> | <b><u>£ 562,561.27</u></b> |

Approved on 31 May 2019

*Signed on Original*

Commodore J Bailey Royal Navy  
Sole Managing Trustee

# HMS NELSON WARDROOM MESS

Registered Charity No 1128774

## Statement of Financial Activities

For year ended 31 March 2019

|                                   | Notes | <u>2018/19</u>      | <u>2017/18</u>      |
|-----------------------------------|-------|---------------------|---------------------|
| <b>Income</b>                     |       |                     |                     |
| Charitable Activities             |       | £ 229,069.45        | £ 257,005.05        |
| Other Trading Activities          |       | £ 50,839.61         | £ 58,518.25         |
| Investment Income                 |       | £ 5,132.83          | £ 5,644.92          |
| Total Income                      | 3     | <u>£ 285,041.89</u> | <u>£ 321,168.22</u> |
| <b>Expenditure</b>                |       |                     |                     |
| Raising Funds                     |       | £ 40,008.33         | £ 47,178.41         |
| Charitable Activities             |       | £ 223,629.86        | £ 248,364.78        |
| Other                             |       | £ 14,044.76         | £ 14,001.22         |
| Total Expenditure                 | 4     | <u>£ 277,682.95</u> | <u>£ 309,544.41</u> |
| Income exceeded Expenditure       |       | £ 7,358.94          | £ 11,623.81         |
| Net gains (losses) on investments |       | £ 3,296.00          | £ 3,361.00          |
| Property Revaluation              |       | £ -                 | £ 41,615.00         |
| Net income/(expenditure)          |       | <u>£ 10,654.94</u>  | <u>£ 56,599.81</u>  |
| <br>Total funds brought forward   |       | <br>£ 562,561.27    | <br>£ 505,961.46    |
| Total funds carried forward       |       | <u>£ 573,216.21</u> | <u>£ 562,561.27</u> |

## HMS NELSON WARDROOM MESS

### Note 3 - Income

|                                 | <u>2018/19</u>      | <u>2017/18</u>      |
|---------------------------------|---------------------|---------------------|
| <i>Charitable Activities</i>    |                     |                     |
| Mess Subscriptions              | £ 59,853.42         | £ 58,556.90         |
| Associate Member Subs           | £ 11,808.37         | £ 12,684.41         |
| Functions                       | £ 83,343.51         | £ 107,953.31        |
| Bar Sales                       | £ 69,631.85         | £ 75,584.14         |
| Laid Down Wine Sales            | £ 2,043.78          | £ 1,777.96          |
| Coffee                          | £ 660.00            | £ 362.83            |
| History Books & Other Income    | <u>£ 1,728.52</u>   | <u>£ 85.50</u>      |
|                                 | £ 229,069.45        | £ 257,005.05        |
| <i>Other Trading Activities</i> |                     |                     |
| Functions                       | £ 39,719.58         | £ 46,555.06         |
| Function Levy & Surplus         | £ 9,608.03          | £ 6,961.40          |
| Loss of facilities charge       | £ -                 | £ 3,437.52          |
| Corkage                         | £ 496.00            | £ 561.00            |
| Family Rooms                    | £ 216.50            | £ 382.93            |
| Z Bed/IT Equipment              | £ 109.50            | £ 141.99            |
| Crystal Sales                   | £ 401.25            | £ -                 |
| Memento Sales                   | <u>£ 288.75</u>     | <u>£ 478.35</u>     |
|                                 | £ 50,839.61         | £ 58,518.25         |
| <i>Investment Income</i>        |                     |                     |
| Interest                        | £ 115.53            | £ 12.00             |
| Investment Dividends            | <u>£ 5,017.30</u>   | <u>£ 5,632.92</u>   |
|                                 | £ 5,132.83          | £ 5,644.92          |
| Total Income                    | <u>£ 285,041.89</u> | <u>£ 321,168.22</u> |

## HMS NELSON WARDROOM MESS

### Note 4 - Expenditure

|                                       | <u>2018/19</u>      | <u>2017/18</u>      |
|---------------------------------------|---------------------|---------------------|
| <i>Raising Funds</i>                  |                     |                     |
| Functions                             | £ 39,719.58         | £ 46,555.06         |
| Memento Purchases                     | £ 264.60            | £ 623.35            |
| Memento Profits to Charity Chest      | <u>£ 24.15</u>      | <u>£ -</u>          |
|                                       | £ 40,008.33         | £ 47,178.41         |
| <i>Charitable Activities</i>          |                     |                     |
| Function Expenditure (from tickets)   | £ 83,343.51         | £ 107,953.31        |
| Function Expenditure (from subsidies) | £ 41,518.81         | £ 41,203.33         |
| Free Function subsidies               | £ 1,775.71          | £ 2,440.80          |
| Bar Purchases                         | £ 51,533.10         | £ 58,696.21         |
| Port /Wine Purchases                  | £ 1,844.86          | £ 1,615.35          |
| Xmas Draw Subsidy                     | £ 692.39            | £ 743.87            |
| Mess Running Costs -                  |                     |                     |
| Mess Guests                           | £ 495.73            | £ 340.74            |
| Newspapers & Periodicals              | £ 6,109.00          | £ 4,780.10          |
| TV & Amenities                        | £ 696.64            | £ 1,024.44          |
| LAF Sports                            | £ 3,600.00          | £ 3,600.00          |
| Repairs & renewals                    | £ 2,884.11          | £ 2,705.75          |
| Christmas Decorations                 | £ 6,000.00          | £ -                 |
| Insurances                            | £ 3,109.12          | £ 3,103.65          |
| Trophy Hire                           | £ 652.12            | £ 655.12            |
| Laundry                               | £ 2,609.75          | £ 1,692.82          |
| Dining Room Consumables               | £ 1,139.36          | £ 984.92            |
| Tea/Coffee                            | £ 9,311.89          | £ 9,557.45          |
| Flowers & Decorations                 | £ 885.96            | £ 2,410.00          |
| Presentations                         | £ 889.55            | £ 781.60            |
| Printing, Postage & Stationery        | £ 1,624.71          | £ 1,756.29          |
| Performing Rights Society             | £ 1,128.35          | £ 1,432.04          |
| Fish Tank                             | <u>£ 1,785.19</u>   | <u>£ 886.99</u>     |
|                                       | £ 223,629.86        | £ 248,364.78        |
| <i>Governance Costs</i>               |                     |                     |
| Examination of Accounts               | £ 2,286.00          | £ 2,247.00          |
| <i>Support Costs</i>                  |                     |                     |
| Depreciation                          | £ 10,917.29         | £ 10,764.92         |
| Card Charges                          | £ 732.55            | £ 376.30            |
| Bank Charges                          | £ 108.92            | £ 85.00             |
| Property Valuation                    | <u>£ -</u>          | <u>£ 528.00</u>     |
|                                       | <u>£ 11,758.76</u>  | <u>£ 11,754.22</u>  |
| Total Expenditure                     | <u>£ 277,682.95</u> | <u>£ 309,544.41</u> |

### Note 5 - Employees

The fund does not have any employees.

## HMS NELSON WARDROOM MESS FUND

### Notes to the Accounts dated 31 March 2019

#### 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 (FRS 102) effective 1 January 2016, 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 £100. They are valued at cost or a reasonable value on receipt. Non depreciating items such as artefacts, silver and pictures are revalued periodically. Depreciation is straight line over the estimated life of the item but is not allocated to any of the activity costs.
- b. Investments on a recognised stock exchange are valued at market value at the date of the Balance Sheet or at best estimate of market value.
- c. Stocks are valued at the lower of cost or market value.

#### Note 2 - Investments

|                           |              |                     |
|---------------------------|--------------|---------------------|
| Quilter Cheviot           | at 1 Apr 18  | £ 195,990.00        |
| Unrealised Gain or (Loss) |              | <u>£ 3,296.00</u>   |
| Quilter Cheviott          | at 31 Mar 19 | <u>£ 199,286.00</u> |

Cost price £65,020.13

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

- a. No expenses or emoluments have been paid to the sole Managing Trustee
- b. The Managing Trustee holds the same position in the Leisure and Amenities Fund (LAF).  
The Wardroom pays monthly sports contributions to the LAF.
- c. There are no amounts due to or from the sole Managing Trustee

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

|                                   |                     |
|-----------------------------------|---------------------|
| Property Valuation as at 1 Apr 18 | £ 189,866.41        |
| Plus Additions                    | £ 14,133.52         |
| Less Depreciation                 | £ (10,917.29)       |
| Property Valuation at 31 Mar 19   | <u>£ 193,082.64</u> |
| Comprising                        |                     |
| Artefacts, Pictures, Silver       | £ 130,230.00        |
| Depreciating items                | £ 62,852.64         |
|                                   | <u>£ 193,082.64</u> |

**Note 7A - Stocks**

|                       |                    |
|-----------------------|--------------------|
| Bar                   | £ 21,918.08        |
| Laid Down Wine & Port | £ 14,812.74        |
|                       | <u>£ 36,730.82</u> |

**Note 8 - Miscellaneous Debtors and Prepayments**

|                            |                   |
|----------------------------|-------------------|
| Interest Accrued           | £ 45.00           |
| Prepayments                |                   |
| Christmas Decorations 2019 | £ 3,300.00        |
| Coffee Machine rent        | £ 405.00          |
| Insurance                  | £ 1,277.00        |
| Performing Rights Society  | £ 458.00          |
| TV Licence                 | £ 138.00          |
|                            | <u>£ 5,623.00</u> |

**Note 9 - Creditors (all due within one year)**

|                               |                    |
|-------------------------------|--------------------|
| Elior                         | £ 13,030.61        |
| Brewgas                       | £ 223.08           |
| Fullers                       | £ 5,069.48         |
| Crown D94/D95                 | £ 642.68           |
| Carol Moore Florist           | £ 230.00           |
| Solent Cleaners               | £ 528.15           |
| Nisbets                       | £ 152.86           |
| RNRMC Furniture Grant Prepaid | £ 4,950.00         |
| Card Charges                  | £ 60.00            |
| Norbeck                       | £ 40.00            |
| PNIE                          | £ 386.00           |
| MOD - Mess Functions          | £ 428.03           |
| PAYD                          | £ 16.11            |
| Cummerbund Fund               | £ 164.70           |
| Charity Chests                | £ 192.54           |
|                               | <u>£ 26,114.24</u> |

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

There are none

**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. The fund has one designated fund
- c. All the fund's operations are continuing operations and there were no discontinued operations.
- d. No funds are in deficit.
- e. The fund has no marketable intangible assets
- f. There were no interfund loans outstanding at the balance sheet date.
- g. 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.
- h. The fund has no material fixed assets which have not been capitalised and included in the Balance Sheet.

## HMS NELSON WARDROOM MESS

### Trading Accounts for the year ended 31 March 2019

|  |                                 | <i>Year to<br/>31-Mar-18</i>    |
|--|---------------------------------|---------------------------------|
| <b><u>Beers &amp; Spirits</u></b>            |                                 |                                 |
| Sales (incl discount & corkage)              | £ 70,127.85                     | £ 76,145.14                     |
| Cost of Stock sold                           | <u>£ (50,787.67)</u>            | <u>£ (57,649.00)</u>            |
| Gross Profit                                 | £ 19,340.18                     | £ 18,496.14                     |
| Gross Profit on Sales                        | 27.6%                           | 24.3%                           |
| Gross profit on cost of sales (= av Mark up) | 38.1%                           | 32.1%                           |
| Less Expenses:                               |                                 |                                 |
| Gas & Sundries                               | <u>£ (745.43)</u>               | <u>£ (1,047.21)</u>             |
| Net Profit                                   | 26.5% <u><b>£ 18,594.75</b></u> | 22.9% <u><b>£ 17,448.93</b></u> |
| <b><u>Laid Down Wines</u></b>                |                                 |                                 |
| Sales  | £ 2,043.78                      | £ 1,777.96                      |
| Cost of Stock sold                           | <u>£ (1,844.86)</u>             | <u>£ (1,615.35)</u>             |
| Gross Profit                                 | 9.7% <u><b>£ 198.92</b></u>     | 9.1% <u><b>£ 162.61</b></u>     |
| <b><u>Mementos</u></b>                       |                                 |                                 |
| Sales  | £ 288.75                        | £ 478.35                        |
| Cost of Goods Sold                           | <u>£ (264.60)</u>               | <u>£ (623.35)</u>               |
| Gross Profit to Charity Chest                | <u><b>£ 24.15</b></u>           | <u><b>£ (145.00)</b></u>        |

## PN INDEPENDENT EXAMINATIONS

5 Nursery Road  
Havant  
Hants  
PO9 3BG

☎ 07801 064450

Commander (Logistics)  
PORFLOT

9 Apr 19

### **HMS NELSON WARDROOM MESS – EXAMINATION & ACCOUNTS – 31 MARCH 2019**

1. The annual examination of the Wardroom Mess Fund for the year ended 31 Mar 19 has been completed satisfactorily. The annual accounts and a draft Trustee's Annual Report (TAR) are enclosed. After approval the on-line annual report to the Charity Commission should be completed including uploading PDF versions of these accounts and the TAR.
2. The accounts were presented to the very high standard expected of this Mess Accountant. There had been independent musters of the cash, bar stock and depreciating property as well as surprise counts of cash. However, the non-depreciating items (artefacts, pictures and silver) which form 2/3rds of the value of property were not independently mustered.
3. In the last quarter the Quilter Cheviot (QC) managed investment had largely recovered from the £16K fall in value seen at Dec 31. Over the year the net gain in market value was £3.3K. These investments provide a dividend income of £5K (around 3%). QC took over management of the fund in 2013 and in Mar 14 the investment was worth £157K but is now worth £199K. A 27% growth in five years.
4. The Wardroom holds its instant access reserve money in a Scottish Widows deposit account. Unfortunately, this account no longer pays a competitive rate of interest – just 0.1%. The balance does increase in value but only because dividends from the investments are paid into this account. The £57K held in the account should be the first port of call for any large scale spending on mess improvements.
5. There were only a few outstanding mess bills but some may require further hastening from a higher level. BAe owed the mess £2.5K for Bottom Line EPOS charges paid by the mess. This sum increases every month. It is understood that when BAe replace computer systems with Elior/Sage there will be a one-off payment to clear the debt. However, as the new system seems no nearer, it suggested that BAe is invited to pay the amount owing to date.
6. HMRC has allowed charities to delay introduction of Making Tax Digital (MTD) by six months. However, it is a concern that BAe seem no further forward in replacing Navision with a system compliant with MTD in time to meet HMRC deadlines.

7. In the last quarter nearly £12K was spent on a sound system, the hall porter's chair, crystal and a bottle cooler. None of these appear in the expenditure figures as the items have been taken onto property i.e. bank assets have been exchanged for property assets.

8. Items of note from the income streams and expenditures were:

- The function levy raised £9.6K (£10.4K in the previous year)
- Military subscription income had increased a little but associate members subscription income had fallen. (Of course, the mess loses a 6<sup>th</sup> of civilian members subscriptions to HMRC in VAT.)
- Spending on function subsidies totalled £41K matching the previous year. This was totally funded by taxed trading profits and therefore there will be no additional VAT bill.
- Christmas decorations cost £6K. A further £3.3K was paid in advance for the decorations for Christmas 19.
- A £4.9K RNRMC grant was received in year for the furniture renovations but as the work will be completed in 2019/20 the money has been moved into next year's accounts.
- Newspaper costs had increased by 28% to £6.1K
- Coffee costs remained at around £9.3K
- Maintenance of the fish tank cost £1.7K but costs had been driven down in the recent months.

9. Bar sales had fallen by £6K to £70K but net profits had increased by £1K to £18.6K.

10. It is understood that an updated Business/Financial plan is being drawn up to include the various renovations, improvements and possible grants planned for the next five years.

### Financial Summary

11. Although it had no need to do so, the fund continued to grow and gained £10.7K over the year. £7.4K came from its normal business plus a further £3.3K gain, on paper, of the value of investments.

12. The fund was worth £573K of which £230K was represented by property and stock. Of the remaining £343K, £199K was in the form of the investments, leaving £144K available for cash flow and spending on mess improvements.

13. More money could be made available if some of the unrealised gains in the market value of investments were to be taken, although this will reduce the dividend income. Of course, the committee will take a view on the impact of Brexit on the market!