

**Service Non Public Funds Final Accounts,
Managing Trustee's Report, Internal Audit
Board Report and Independent Examiner's Report (SORP 2005 compliant)
Internal Audit Board Scheme**

Army Form N1514
(Rev 11/09)

Unit: ROYAL COLLEGE OF DEFENCE STUDIES

Address: SEAFORD HOUSE, 37 BELGRAVE SQUARE, LONDON SW1X 8NS

In Respect of the RCDS OFFICERS MESS Fund/Charity

Charity Commission/Regulator registered number 1129968

For the period from 01/09/2017 to 31/8/2018

Managing Trustee(s) during the period:

| | | | | | |
|------|-------------|----|-------------|------|-------------------------|
| From | 01-Sep-2017 | to | 31-Aug-2018 | Name | Rear Admiral J Kingwell |
| From | | to | | Name | |
| From | | to | | Name | |

Account Holder(s) during the period:

| | | | | | |
|------|-------------|----|-------------|------|--------------|
| From | 31-Aug-2017 | to | 01-Jun-2018 | Name | Mr S Cassidy |
| From | 02-Jun-2018 | to | 31-Aug-2018 | Name | C Mapp |
| From | | to | | Name | |

The Internal Audit Board consists of:

| | | | |
|--------------|--|---------------------------------|------------|
| President | | Lieutenant Commander G Jones | |
| | | | |
| Member | | Captain K J Nicholson | |
| | | | |
| Member | | Brigadier A P Reilly | |
| | | | |
| Member | | | |
| | | | |
| Assembled at | | On | 03/12/2019 |
| | | | |
| By Order of | | Commandant RCDS RAdm J Kingwell | |

Statement of Financial Activities as at 31-Aug-2018

| | Unrestricted/ General Purpose/ Designated Funds | Restricted Funds | Endowment Funds | Total Funds | Previous Period Total Funds |
|--|---|---------------------|--------------------|-------------------|-----------------------------------|
| Voluntary Income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Activities for Generating Funds | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Investment Income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Income Resources from Charitable Activities | 29,050.84 | 0.00 | 0.00 | 29,050.84 | 31,652.65 |
| Other Incoming Resources | 6,244.92 | 136,720.75 | 0.00 | 142,965.67 | 127,713.96 |
| Total Incoming Resources | 35,295.76 | 136,720.75 | 0.00 | 172,016.51 | 159,366.61 |

| | | | | | |
|---|------------------|-------------------|-------------|-------------------|-------------------|
| Investment Management Costs | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Costs of Generating Funds | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Charitable Activities | 28,228.00 | 0.00 | 0.00 | 28,228.00 | 29,082.71 |
| Governance Costs | 20.70 | 0.00 | 0.00 | 20.70 | 10.00 |
| Grants and Donations | 396.60 | 0.00 | 0.00 | 396.60 | 268.97 |
| Other Costs | 3,278.66 | 114,993.57 | 0.00 | 118,272.23 | 145,159.33 |
| Total Resources Expended | 31,923.96 | 114,993.57 | 0.00 | 146,917.53 | 174,521.01 |
| Net Incoming/Outgoing Resources Before Transfers | 3,371.80 | 21,727.18 | 0.00 | 25,098.98 | -15,154.40 |

| | | | | | |
|---|-----------------|------------------|-------------|------------------|-------------------|
| Gross transfers between funds (internal transfers) | 668.22 | -3,049.78 | 0.00 | -2,381.56 | -8,457.98 |
| Net Incoming Resources before Holding Gains and Losses | 4,040.02 | 18,677.40 | 0.00 | 22,717.42 | -23,612.38 |

| | | | | | |
|---|------------------|------------------|-------------|-------------------|-------------------|
| Gains on revaluation of the charity's fixed assets | 0.00 | N/A | N/A | 0.00 | 0.00 |
| Unrealised Gains on investments | 237.83 | N/A | N/A | 237.83 | 0.00 |
| Unrealised Losses on investments | 0.00 | | | | 0.00 |
| Net Movement in Funds | 4,277.85 | 18,677.40 | 0.00 | 22,955.25 | -23,612.38 |
| Total funds brought forward from previous year | 80,178.64 | 9,333.08 | 0.00 | 89,511.72 | 23,612.38 |
| Total funds carried forward | 84,456.49 | 28,010.48 | 0.00 | 112,466.97 | 0.00 |

Balance Sheet as at

31-Aug-2018

| Previous (£) | FIXED ASSETS | | Current (£) |
|------------------|--------------|--|-----------------|
| | | Capital Property (tangible fixed assets) | |
| | | Heritage Assets | |
| 22,210.74 | | Investments at Market Value | 22,448.57 |
| 22,210.74 | | Total Fixed Assets | 22,448.57 |

| CURRENTS ASSETS | | | |
|-----------------|---------------------------------|-----------------------------|------------|
| 643.23 | Cash | 2,644.33 | |
| 46,554.63 | Current Account | 62,896.75 | |
| -2,870.00 | R&C | 103.24 | |
| | Mess Bill Debtors | | |
| 5,242.01 | Debtors | 5,766.13 | |
| 17,731.11 | Stocks on Hand - Trading Profit | 18,607.95 | |
| | | | |
| | | | |
| 67,300.98 | | Total Current Assets | 90,018.40 |
| 89,511.72 | | Total Assets | 112,466.97 |

| LIABILITIES | | | |
|-------------|------------------|---------------------------------------|------------|
| | Sundry Creditors | 0.00 | |
| | VAT Control | | |
| | VAT Payable | | |
| | | | |
| 0.00 | | Total Liabilities | 0.00 |
| 89,511.72 | | Total Assets Minus Liabilities | 112,466.97 |

| UNRESTRICTED/GENERAL PURPOSE FUND | | | |
|-----------------------------------|-----------------------------------|--|-----------|
| 82,889.45 | Balance as per last Balance Sheet | 80,178.64 | |
| | Add Excess of Income | 4,277.85 | |
| 2,710.81 | Deduct Excess of Expenditure | | |
| 80,178.64 | | Accumulated Unrestricted/General Purpose Fund | 84,456.49 |
| 80,178.64 | | Total Unrestricted & Designated Funds | 84,456.49 |

| TOTAL FUNDS | | | |
|-------------|--|--------------------|------------|
| 9,333.08 | Total Restricted Funds | 28,010.48 | |
| 0.00 | Total Endowment Funds | 0.00 | |
| 0.00 | Total Designated Funds | 0.00 | |
| 80,178.64 | Accumulated Unrestricted/General Purpose Funds | 84,456.49 | |
| 89,511.72 | | Total Funds | 112,466.97 |

RESTRICTED FUNDS

| | | |
|------------|-------------------------------|-----------|
| 26,979.25 | 2016 COURSE FUND | 0.00 |
| 29,507.31 | 2017 COURSE FUND | 1,564.60 |
| -575.00 | 2018 COURSE FUND | 3,435.61 |
| 5,292.01 | PREVIOUS COURSE FUND | 5,773.95 |
| -71,555.73 | FUNCTIONS | 793.38 |
| 1,016.18 | US/UK RL | 242.12 |
| 19,395.04 | BAE SYSTEMS FUND | 12,997.25 |
| -725.98 | STRATEGIC SEMINAR FUND | 3,975.27 |
| | SPONSORED EVENTS | -1,077.10 |
| | BAND | 305.40 |
| | | |
| 9,333.08 | Total Restricted Funds | 28,010.48 |

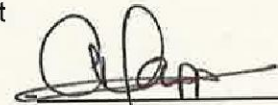
ENDOWMENT FUNDS

| | | |
|------|------------------------------|------|
| | | |
| 0.00 | Total Endowment Funds | 0.00 |

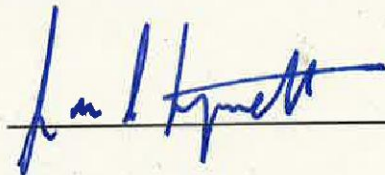
DESIGNATED FUNDS

| | | |
|------|-------------------------------|------|
| | | |
| | | |
| | | |
| | | |
| | | |
| 0.00 | Total Designated Funds | 0.00 |

FFR used £1.00=

Date 16.12.19Fund Manager (Regimental Accountant
Scheme) / Account Holder (Audit
Board Scheme) SignatureDate 16.12.19

Managing Trustee Signature



| Expenditure/Losses (Resources Expended) | Current Period | Previous Period | Income/Gains (Incoming Resources) | Current Period | Previous Period |
|---|-------------------|--------------------|---|-------------------|--------------------|
| <u>INVESTMENT MANAGEMENT COSTS</u> | | | <u>VOLUNTARY INCOME</u> | | |
| <u>COST OF GENERATING FUNDS</u> | | | <u>ACTIVITIES FOR GENERATING FUNDS</u> | | |
| <u>CHARITABLE ACTIVITIES</u> | | | | | |
| SHOP | 1,821.74 | | | | |
| CHURCHILL LECTURE | 3,385.00 | 3,054.72 | | | |
| TROOPING THE COLOUR | 445.00 | | | | |
| WINE TASTING | 3,280.00 | 6,318.10 | | | |
| CULTURE CLUB | 60.50 | 6,196.14 | | | |
| ABBAY VISIT | | | | | |
| XMAS LUNCH | | 655.80 | | | |
| TANK MUSEUM | | 806.88 | | | |
| SPORTING EVENTS | 3,050.00 | 2,791.10 | <u>INVESTMENT INCOME</u> | | |
| VISITS | 580.05 | | | | |
| MISC EVENTS | 4,599.90 | | <u>INCOME RESOURCES FROM CHARITABLE ACTIVITIES</u> | | |
| | | | SHOP | | 3,826.38 |
| | | | CHURCHILL LECTURE | 2,325.00 | 2,588.95 |
| | | | TROOPING THE COLOUR | 1,745.00 | 1,990.00 |
| | | | WINE TASTING | 4,620.30 | 4,810.05 |
| | | | CULTURE CLUB | 60.50 | 5,411.00 |
| | | | KEEP WELCOM | | 199.81 |
| | | | XMAS LUNCH | | 656.25 |
| | | | SPORTING EVENTS | 1,687.85 | 2,361.60 |
| | | | DUCK TOURS | | 302.00 |
| | | | OST DINNER | | 180.00 |
| | | | VISITS | 1,556.29 | |
| | | | MISC EVENTS | 5,629.13 | |
| <u>GOVERNANCE COSTS</u> | | | | | |
| POSTAGE | 20.70 | 10.00 | BANK INTEREST | 24.96 | 31.64 |
| | | | BANK CARD FEES | | 35.00 |
| <u>GRANTS AND DONATIONS</u> | | | | | |
| KEEP COMMUNITY CENTRE | | 268.97 | | | |
| CHARITY COLLECTION | 396.60 | | CHARITY COLLECTION | 396.00 | |

| Expenditure/Losses (Resources Expended) | Current Period | Previous Period | Income/Gains (Incoming Resources) | Current Period | Previous Period |
|--|-------------------|--------------------|---|-------------------|--------------------|
| <u>OTHER COSTS</u> | | | <u>OTHER INCOMING RESOURCES</u> | | |
| PRIZE GIVING | 594.00 | 486.20 | MINOR PROFITS | | 52.50 |
| COURSE CLOTHING | | 4,890.00 | COURSE CLOTHING | | 2,900.00 |
| MOD (Debtors) | 442.12 | | UNIDENTIFIED INCOME | 3,497.36 | 14.90 |
| STUDENT LOAN | 1,000.00 | 500.00 | STUDENT LOAN | 1,000.00 | 600.00 |
| CHANGING ROOM FACILITIES | | 10.00 | DEBTORS | | 5,550.00 |
| MESS BOARDS | 27.00 | | WRITE-OFF | | |
| BANK ADJUSTMENT | 0.66 | | BOOK ROYALTIES | 86.53 | |
| WRITE-OFF | 1,159.88 | | PROFIT | 1,626.03 | |
| MESS GIFT | 20.00 | | | | |
| 90 Day Debt | 35.00 | | 90 Day Debt | 35.00 | |
| | | | | | |
| <u>INTERNAL TRANSFERS³</u> | | | <u>INTERNAL TRANSFERS⁴</u> | | |
| DEBTORS | | 5,048.00 | PRIZE GIVING | | 95.00 |
| MESS BILL DEBTORS | | 11,465.42 | FY 15/16 STOCK ADJ | | 8,235.44 |
| MESS LEAVING GIFTS | | 50.00 | KEEP WELCOME | 375.23 | |
| CHURCHILL LECTURE | 1,626.03 | | CHURCHILL LECTURE | 465.77 | |
| TROOPING THE COLOUR | 1,990.00 | | TROOPING THE COLOUR | | |
| CHARITY COLLECTION | 773.01 | | WINE TASTING | 646.28 | |
| STUDENT LOAN ADJ | 100.00 | | | | |
| XMAS BREAKFAST | 0.45 | | XMAS BREAKFAST | 93.65 | |
| CULTURE CLUB | 460.00 | | CULTURE CLUB | 785.14 | |
| VISITS | 169.12 | | VISITS | 750.00 | |
| | | | SPORTING EVENTS | 979.50 | |
| LEAVING GIFT | 92.16 | | COURSE CLOTHING | 2,347.42 | |
| MISC EVENTS | 482.00 | | | | |
| MOD (Debtors) | 82.00 | | | | |
| | | | | | |
| <u>UNREALISED LOSS ON INVESTMENTS</u> | | | <u>GAIN ON REVALUATION OF FIXED ASSETS</u> | | |
| | | | | | |
| | | | <u>UNREALISED GAIN ON INVESTMENTS</u> | | |
| | | | CCLA | 237.83 | |
| | | | | | |
| Total Expenditure | 26,692.92 | 42,551.33 | Total Income | 30,970.77 | 39,840.52 |
| Excess of Income | 4,277.85 | | Excess of Expenditure | | 2,710.81 |
| Grand Totals | 30,970.77 | 42,551.33 | Grand Totals | 30,970.77 | 42,551.33 |

³This Will include all transfers including those to designated funds.⁴This will include all transfers including those from designated funds.

| Expenditure/Losses (Resources Expended) | Current Period | Previous Period | Income/Gains (Incoming Resources) | Current Period | Previous Period |
|---|-------------------|--------------------|--|-------------------|--------------------|
| <u>CHARITABLE ACTIVITIES</u> | | | <u>INCOME RESOURCES</u> | | |
| Trading purchases including trade expenses less write off/mess guests/cost sales. | 13,704.39 | 7,931.84 | <u>FROM CHARITABLE</u> | | |
| | | | <u>ACTIVITIES</u> | | |
| | | | Trading sales less cost price sales | 11,005.81 | 13,086.35 |
| Opening stock - Closing Stock | -876.84 | 1,328.13 | | | |
| Add/Subtract to Trading purchases as above | 12,827.55 | 9,259.97 | | | |
| Adjusted trading purchases to be used at SOFA cell (B21) | 12,827.55 | 9,259.97 | | | |

| Expenditure/Losses (Resources Expended) | Current Period | Previous Period | Income/Gains (Incoming Resources) | Current Period | Previous Period |
|--|-------------------|--------------------|--|-------------------|--------------------|
| <u>INVESTMENT MANAGEMENT COSTS</u> | | | <u>VOLUNTARY INCOME</u> | | |
| <u>COST OF GENERATING FUNDS</u> | | | <u>ACTIVITIES FOR GENERATING FUNDS</u> | | |
| <u>CHARITABLE ACTIVITIES</u> | | | <u>INVESTMENT INCOME</u> | | |
| | | | <u>INCOME RESOURCES FROM CHARITABLE ACTIVITIES</u> | | |
| <u>GOVERNANCE COSTS</u> | | | | | |
| <u>GRANTS AND DONATIONS</u> | | | | | |

31-Aug-2018

⁴This will include all transfers including those from designated funds.

| Expenditure/Losses (Resources Expended) | Current Period | Previous Period | Income/Gains (Incoming Resources) | Current Period | Previous Period |
|--|-------------------|--------------------|--|-------------------|--------------------|
| <u>INVESTMENT MANAGEMENT COSTS</u> | | | <u>VOLUNTARY INCOME</u> | | |
| <u>COST OF GENERATING FUNDS</u> | | | <u>ACTIVITIES FOR GENERATING FUNDS</u> | | |
| <u>CHARITABLE ACTIVITIES</u> | | | <u>INVESTMENT INCOME</u> | | |
| | | | <u>INCOME RESOURCES FROM CHARITABLE ACTIVITIES</u> | | |
| <u>GOVERNANCE COSTS</u> | | | | | |
| <u>GRANTS AND DONATIONS</u> | | | | | |

³This Will include all transfers including those to designated funds.
⁴This will include all transfers including those from designated funds.

| Expenditure/Losses (Resources Expended) | Current Period | Previous Period | Income/Gains (Incoming Resources) | Current Period | Previous Period |
|--|-------------------|--------------------|--|-------------------|--------------------|
| <u>INVESTMENT MANAGEMENT COSTS</u> | | | <u>VOLUNTARY INCOME</u> | | |
| <u>COST OF GENERATING FUNDS</u> | | | <u>ACTIVITIES FOR GENERATING FUNDS</u> | | |
| <u>CHARITABLE ACTIVITIES</u> | | | <u>INVESTMENT INCOME</u> | | |
| | | | <u>INCOME RESOURCES FROM CHARITABLE ACTIVITIES</u> | | |
| <u>GOVERNANCE COSTS</u> | | | | | |
| <u>GRANTS AND DONATIONS</u> | | | | | |

⁴This will include all transfers including those from designated funds.

Notes to the accounts (Paras 2 to 12 are to be completed by all funds which have a gross income of £100K or over and those funds already registered with the Charity Regulator, all other funds are to complete Paras 6 and 7 and the declarations at Para 12):

1. Principal Accounting Policies

- a. Accounting Convention. The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with applicable accounting standards. In preparing the financial statements the charity follows best practice as set out in the Statement of Recommended Practice "Accounting and reporting by Charities" (SORP) 2005 (<http://www.charitycommission.gov.uk/investigations/sorp/sorp05docs.asp>)
- b. Incoming Resources. Income is recognised in the period in which the charity is entitled to receipt, and the amount can be measured with reasonable certainty. Grants from other agencies including donations and other income from activities are in furtherance of the charity's objects and are part of the general funds of the charity. A restricted fund is only recognised where this is an agreed and explicit condition of the grant or donor.
- c. Intangible Income. Due to the close collaborative relationship and the manner in which the charity's activities compliment those of the Army, intangible income, reflected in time and use of premises is not quantifiable or measurable and so is not recognised in the accounts.
- d. Resources Expended and Basis of Allocation of costs. Expenditure is included when incurred or exceptionally where a commitment is made which requires an accrual when payment is to be made in the subsequent accounting period. Similarly, where prepayments are made in recognition of commitments falling due in a subsequent accounting period, the appropriate credit is entered in the accounts and reversed the following year. Grants payable are included in the SOFA when approved by the Managing Trustee. Expenditure is recognised in the period in which it is incurred. The majority of costs are directly attributable to specific activities. Irrecoverable VAT is charged to the annual report and accounts.
- e. Governance Costs. Governance costs are the costs of professional advice, holding trustee meetings or committee meetings associated with decision making, any fee for audit or independent examination and any fee incurred in the preparation, statutory filing, printing or copying of the annual report and accounts.
- f. Capitalisation and Depreciation of Tangible Fixed Assets. All assets having a purchase value of more than £500 are capitalised. The cost of tangible fixed assets are written off by equal annual instalments over their expected useful lives using the following methods of depreciation:
- | | | |
|-----------------------------------|---|--|
| Furniture, fixtures and equipment | - | Straight Line over a period of 2 - 10 years. |
| Motor vehicles | - | Straight Line over a period of 2 - 10 years. |
- Assets with a life of more than one year but with a purchase value of below £500 are included within the inventory but the cost is written off in the year it is incurred and is not depreciated over the useful life of the asset. Where the asset is depreciated over a period of more than 10 years, details of the item and period are to be provided following the notes on page 13.
- g. Fixed Asset Investment. Fixed asset investments are included at market value at the balance sheet date. Any gain or loss on revaluation is shown in the Statement of Financial Activities (SOFA) on page 2.

h. Stocks. Purchased stocks are valued at the lower cost or net realisable value making due allowance for any obsolete or slow-moving items.

i. Funds Accounting. Funds held by the charity are:

(1) General Purpose/Unrestricted/Designated Funds. These are funds that can be used in accordance with the charitable objects at the discretion of the Managing Trustee. Designated funds are unrestricted funds which have been allocated/earmarked for a particular purpose by the Managing Trustee and are to be declared in the Managing Trustee's comments in accordance with Para 12 to these notes stating what they are intended to be used for and when.

(2) Endowment Funds. Endowment funds are those investments and other gifts accepted by the unit, the capital sum or property being held in perpetuity and the income only being available for charitable use.

(3) Restricted Funds. These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is to be included in the notes to the accounts.

j. Heritage Assets. In the course of the unit's history, the charity may have acquired gifts, memorabilia, regalia, silverware, antiques and other historical artefacts in the course of distinguished military service in service of the Crown. The value of these pieces is in large part derived from their close association with Regimental history which precludes the use of conventional valuation techniques being applied. Whilst the objects of the charity do not specifically include preservation and conservation, the pieces represent an essential element of celebrating the unit's history and foster esprit-de-corps. Consequently the Managing Trustee considers the charity to hold heritage assets both for functional use and as an element of national history on behalf of the nation. Heritage assets acquired prior to 1 Apr 06 are therefore not capitalised on the balance sheet but a description of those assets is disclosed as part of the notes to the accounts. Heritage assets acquired after 1 Apr 06 where the purchase price is known and which exceed £500.00 are included in the balance sheet at acquisition value but are not depreciated.

k. Other Costs. Other costs are those costs not incurred in the undertaking of charitable activity in furtherance of the objects of the charity, i.e. the provision of facilities, recreational programmes or activities in furtherance of military efficiency. They are also costs incurred in the making of grants and donations, in the costs of generating funds, i.e. the costs incurred in trading or fundraising undertaken by the charity, or in governance costs.

2. Grants Made. (if total grants are over 5% of the charity's total expenditure).

The charity made the following grants/donations:

Grants to institutions

| Name of institutions | Purpose | Total number of grants given | Total amount of grants paid |
|------------------------------|---------|------------------------------|-----------------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total grants to institutions | | 0 | 0.00 |

Grants to individuals

| Purpose | Total number of grants given | Total amount of grants paid |
|---------|------------------------------|-----------------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| Total | 0 | 0.00 |

3. Related Party Transactions & Remuneration and Expenses

Whilst the charity has a close working relationship with the Army, there are no transactions with the Army which require disclosure under SORP 2005. The only transactions made by the charity in favour of the unit are wholly attributable to the charitable activities of furthering military efficiency. The Managing Trustee is an officer or equivalent and fulfils the role as trustee in accordance with the applicable laws and regulations. No expenses have been paid to the trustee. In the event that expenses have been paid to the trustee these are disclosed under the Managing Trustee's comments.

4. Analysis of Capital Property

| | Fixtures fittings & equipment | Motor vehicles | Total |
|--------------|-------------------------------|----------------|-------|
| | £ | £ | £ |
| Balance b/f | | | 0.00 |
| Purchases | | | 0.00 |
| Sales & W/Os | | | 0.00 |
| Depreciation | | | 0.00 |
| Balance c/f | 0.00 | 0.00 | 0.00 |

5. Total Value of Investments by Category

| | Value £ |
|---|-----------|
| Carrying value (market value at beginning of year | 22,210.74 |
| Add additions to investments at cost (investments purchased) | |
| Less disposals at carrying value (investments sold) | |
| Add/(deduct) net gain/(loss) on revaluation (gain/loss at end of accounting period/audit) | 237.83 |
| Carrying value (market value) at end of year | 22,448.57 |

Breakdown of Market Values at

| Year End | GPF/ Unrestricted Value £ | Restricted Value £ | Endowment Value £ | Total value Value £ | Income during year Value £ |
|--|---------------------------------|-----------------------|----------------------|---------------------------|----------------------------------|
| Investment properties | | | | 0.00 | |
| Investments listed on a recognised stock exchange | | | | 0.00 | |
| Investments held in unit trusts or other collective investment schemes | 22,448.57 | | | 22,448.57 | 237.83 |
| Investments in subsidiary or connected undertakings and companies | | | | 0.00 | |
| Securities not listed on a recognised stock exchange | | | | 0.00 | |
| Cash held as part of the investment portfolio | | | | 0.00 | |
| Other investments | | | | 0.00 | |
| Total | 22,448.57 | 0.00 | 0.00 | 22,448.57 | 237.83 |

6. List of Debtors

| Debtor | Date of Debt | Amount |
|------------------|--------------|----------|
| MOD | 31-Aug-18 | 5,572.12 |
| 2016 COURSE FUND | 31-Aug-18 | 194.01 |
| | | |
| | | |
| Total | | 5,766.13 |

* There are no amounts falling due after more than one year (delete as appropriate).

7. List of Creditors

| Creditor | Date of Credit | Amount |
|----------|----------------|--------|
| | | |
| | | |
| | | |
| | | |
| Total | | 0.00 |

* There are no amounts falling due after more than one year (delete as appropriate).

8. Paid Employees

| | This year £ | Last year £ |
|------------------------------------|-------------|-------------|
| Gross wages paid | | |
| Employer's National Insurance paid | | |
| Pension Contributions paid | | |
| Total staff costs | 0.00 | 0.00 |

Give the number of employees who were engaged in each of the following activities:

| | This year £ | Last year £ |
|---------------------------|-------------|-------------|
| Costs of generating funds | | |
| Charitable activities | | |
| Other | | |
| Total | 0.00 | 0.00 |

No individual employee received a salary of over £60,000.00

9. Governance Costs

| | This year £ | Last year £ |
|--------------------------------------|-------------|-------------|
| Audit or independent examination fee | | |

10. Restricted/Endowment Funds

Give details of the movements of the individual funds summarised in the restricted and endowment column of the Statements of Financial Activities (SOFA).

| Fund Name | Fund Bal B/F | Incoming Resources for period | Outgoing Resources for period | ¹ Transfers | ¹ Gains and losses | Fund Bal C/F |
|-------------------------|--------------|-------------------------------|-------------------------------|------------------------|-------------------------------|--------------|
| 2016 COURSE FUND | 26,979.25 | | | -26,979.25 | | 0.00 |
| 2017 COURSE FUND | 29,507.31 | 3,906.52 | 936.00 | -30,913.23 | | 1,564.60 |
| 2018 COURSE FUND | -575.00 | 41,750.94 | 5,970.66 | -31,769.67 | | 3,435.61 |
| PREVIOUS COURSE FUND | 5,292.01 | 773.01 | 291.07 | | | 5,773.95 |
| FUNCTIONS | -71,555.73 | 68,117.89 | 91,433.00 | 95,664.22 | | 793.38 |
| US/UK RL | 1,016.18 | | | -774.06 | | 242.12 |
| BAE SYSTEMS FUND | 19,395.04 | 10,000.00 | 7,638.06 | -8,759.73 | | 12,997.25 |
| STRATEGIC THEME SEMINAR | -725.98 | 11,440.00 | 6,738.75 | | | 3,975.27 |
| SPONSORED EVENTS | | 1,200.00 | 2,277.10 | | | -1,077.10 |
| BAND | | 305.40 | | | | 305.40 |

¹Net transfers out and net losses are to be entered as negative figures.

A brief explanation as to the nature and purpose of the charity's Restricted Funds is to be provided.

| Name of Restricted Fund | Purpose of fund |
|-------------------------|--|
| 2016 COURSE FUND | Funding Mess activities for the 2016 Course Fund |
| 2017 COURSE FUND | Funding Mess activities for the 2017 Course Fund |
| 2018 COURSE FUND | Funding Mess activities for the 2018 Course Fund |
| PREVIOUS COURSE FUNDS | Funding of activities of course groups prior to 2015 |
| FUNCTIONS | For the running of individual mess functions |
| US/UK RL | For running the social element of the US/UK Rising Leaders conference |
| BAE SYSTEMS FUND | Funding of activities by BAE Systems that benefit the course membership |
| STRATEGIC SEMINAR FUND | Funding of activities by Boeing in connection with the Strategic Seminar Programme |
| SPONSORED EVENTS | Events wholly sponsored by Industry Partners |
| BAND | RCDS 2018 Band money raised by playing. To be used to fund the 2018 Final Party. |

11. Heritage Assets

Heritage assets that are owned by the charity but purchased/acquired prior to 1 Apr 06 are not included in the charity's capital property value (see note 1.j). A list/description of these assets is below:

| |
|--|
| |
| |

12. Declarations

All of the charity's commitments are provided for in the accounts.

No guarantees have been given to third parties.

The charity has not received any loans that are outstanding at the year-end and secured on assets.

The charity has not granted any loans to institutions or companies connected with the charity.

The charity did not make any ex-gratia payments during the year.

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with the restrictions imposed.

The financial activities, assets and liabilities of all the charity's branches or sections have been included.

The trustees have not changed the year end date or the length of the charity's financial year.

The charity has no designated funds (if there are designated funds the reason for designation and when each designated fund is intended to be used by is to be stated in the Managing Trustee's report).

All the charity's operations are continuing operations and there were no operations discontinued or acquired during the year.

No funds (unrestricted, designated, restricted or endowment) are in deficit at the balance sheet date.

The charity has no intangible assets.

There were no inter-fund loans outstanding at the balance sheet date.

None of the charity's functional fixed assets have been re-valued during the year and the charity does not have a policy of revaluation of these assets.

The charity has no subsidiary companies.

The charity has no material fixed assets which have not been capitalised and included in the balance sheet.

No internal transfers have occurred out of restricted/endowment funds. In the event that a transfer has taken place, full details of the reason for the transfer are disclosed in the Managing Trustee's comments.

All investments held are investment assets in the UK unless otherwise stated.

Note: Where any of the declarations are not correct they are to be crossed out and details provided in the Managing Trustee's comments.

Additional comments:

The accounts as at the end of the period 17/18 stand at a £23K increase from the previous year. The previous years accounts showed a reduction of £24K mostly due to £21K of late payments that were expected in the FY17/18 period which occurred. The worth of the fund has effectively returned to FY15/16 levels.

Stock shows a loss of £1800 but this does not take into account that sold to MOD for the 2018 Overseas Tour which was tabulated after the end of the mess financial year at £3000 and would mean that the mess actually made a profit in real terms of £1200.

The General Purpose Fund/Unrestricted Funds Analysis shows a figure of £3,497.36 as **unidentified income**. Whilst the bank statements and account books reconcile when the unrestricted accounts are broken down and entered into the unrestricted analysis sheet on Excel they will not reconcile on the Balance sheet. The figures were falling short of the actual worth of the fund. The accounts have been manually checked multiple times and SPS London District have also examined the situation and come to the conclusion that the error is with the spreadsheet audit document which uses macros and not the figures. This being the case the income was added as a line in the document to correct the problem.

Of the 29 points noted in the previous audit report:

Points 1 - 3 and 5 are simply statements of what is in the account without any question behind them to answer

Points 6 - 9, 14, 16 - 19, 22 - 25. These 13 points would have been dealt with to the auditors satisfaction on the day but Paul Edmeades was on leave at the time.

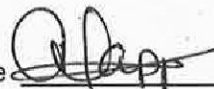
Points 4, 13, 15 and 26. The answers for these are actually in the audit report and have either been missed or misunderstood by the auditors.

Points 10 and 11. Relate to how the audit report deals with it's calculations which is automated using macros which we have no visibility of and therefore cannot answer.

Points 20 - 21, 27 and 29. Valid audit points. Down to prior Fund Managers having no interest in dealing with the mess accounts apart from the Course Year fund which they were required to report against at the mess committee.

Points 12. Only the former Fund Manager could answer the question to the auditors satisfaction as they would have instructed and authorised the transaction.

Signature



Name

C. MAPP

Date:

16.12.19

Fund Manager (Regimental Accountant Scheme)/Account
Holder (Audit Board Scheme)

Managing Trustee's Annual Report and Comments:

Unit ROYAL COLLEGE OF DEFENCE STUDIES

Address

In Respect of the RCDS Officers Mess

Fund/Charity

Charity Commission/Regulator registered number 1229968

Description of the charity's trusts

This should include:

- a. Details, including date if known of the charity's governing document (e.g. trust deed, will, constitution etc): and
- b. A brief explanation of the charity's objects.

Where applicable, you may choose to give details of any specific investment powers of the charity.

| | |
|--|--|
| Governing Document (e.g. Trust Deed, Constitution) | |
|--|--|

| | |
|------------------------|--|
| Objects of the Charity | The promotion of efficiency of the Armed Forces of the Crown by the provision and support of facilities and activities for the efficiency and well-being of service personnel. |
|------------------------|--|

Explain briefly how trustees are elected or appointed and details of any induction and trustee training attended.

| | |
|-----------------------------|----------------------------|
| Trustee selection method | On appointment of MOD post |
|-----------------------------|----------------------------|

| | |
|-----------------------------------|--|
| Trustee induction and training | As part of the formal appointment to RCDS senior staff |
|-----------------------------------|--|

Explain about what the charity is trying to do and how it is going about it. You are only required to provide a brief summary of the main activities and achievements of the charity during the year in relation to its objects.

| | |
|---|---|
| Summary of main activities in relation to the Charity's objects | Delivery of the social programme for the members and their families during the course year. |
| Summary of main achievements of the Charity during the year | As Above. |

Provide a brief review of the financial position of the charity. This should include the principle types of income.

| | |
|------------------|---|
| Financial Review | The account appears to be in good health. |
|------------------|---|

The Managing Trustee should give in their report a description of the following policies:

- For the selection of investments for the charity.
- For determining the level of income reserves held, stating and explaining the level of reserves held.
- Where grants are made by the charity, the selection of individuals and institutions who are to receive grants out of the assets of the charity.

| | |
|---|---|
| Financial reserves policy | Current policy is to retain a cash reserve sufficient to cover delays in receiving income payments from Sodexo whilst still paying bills and cover all debts in the event of dissolution. |
| Investments selection policy and performance of those investments | |

Provide the name of all trustees/the Managing Trustee(s) during the report year.

| | |
|---|----------------------------|
| Managing Trustee's name/trustees' names | Rear Admiral John Kingwell |
|---|----------------------------|

| | |
|-------------------|------|
| Serious Incidents | None |
|-------------------|------|

| | |
|--------------------------|---|
| 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:</p> <ul style="list-style-type: none"> *a. Providing and supporting mess facilities and social activities. *b. Providing and supporting sporting and adventure training activities <p>This assistance enables service personnel to face the challenges and danger associated with military service by developing and maintaining <i>teamwork; skills; fitness; confidence; character; spirit and attitude; and morale*</i>. As a result the fund promotes the efficiency of the Armed Forces of the Crown by enhancing the British Army's capability to undertake the roles demanded of it including the defence of the United Kingdom and its interests.</p> <p>(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).</p> |
|--------------------------|---|

*delete as appropriate.

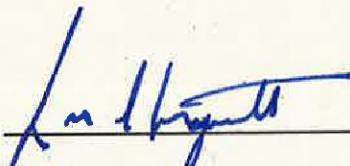
Additional comments (include any declarations which were not correct (Pg 12/13)):

I note that with the current balance sheet the worth of the Mess has neither increased or decreased over the last 3 years even with contributions from each course year. This should be investigated by the new Fund Manager.

I acknowledge that we were still suffering personnel issues affecting the supervision of the account and that Miss Mapp has stepped in to assist although having no official role or responsibility in the running of the mess.

With regards to the auditors' comments I welcome the greater rigour being shown and highlighting areas where greater transparency can be shown in the audit process and financial structure simplified. It is to be noted that regular Stock have been conducted and that Cash checks are being conducted for the 19/20 period now staffing issues have been resolved.

Signature



Name

J Mc Kinacrew

Date: 16-12-19

Appointment

Comdt RCOS

Internal Audit Board Report

1. We have examined the books of account and records from which the final accounts were prepared and have obtained all the information and explanations that were necessary for the purpose of our internal audit.
2. We certify that end of period checks have been conducted in accordance with Service Funds Regulations.
3. Subject to the observations given below we are satisfied that proper books of account have been kept and that the final accounts give a true and fair view of the results of transactions over the period and of the state of the Fund's affairs as at the date of the balance sheet. Subject also to our observations we are satisfied that cash and bank balances and stocks on hand have been properly checked at prescribed intervals and that adequate insurance exists.
4. We have stamped and the original books of account and the original records we have checked. All vouchers relating to this account have been cancelled.
5. We have made the following observations whilst carrying out the internal audit:

- a. Previous observations have not been actioned (list those observation outstanding).

The majority of the previous observations have been actioned. There is still no evidence of surprise cash and bank checks. The shop account entries are fully detailed.

- b. The Mess Cash Book correlates with the receipt and payment vouchers. There are a number of vouchers that would benefits from showing more details, but - in the main - they are well kept.

- c. The Mess Account detail does not easily match the bank statements. We the auditors are satisfied the total bank flows match those of the aggregated accountsbut this is not easily discernable from the bank statements and required a check of aggregate Mess Accounts and bank flows.

- d. The £0.04 discrepancy between bank and mess accounts should be adjusted via a voucher and not carried forward to subsequent accounts.

- e. Future accounting records should annotate bank statements so they can be easily referenced to the relevant supporting vouchers.

- f. The structure of the bank accounts should be simplified so only one account is used.

- g. Auditors should ideally be selected from Members who are either on the course during the time of the audit or prehaps London former Members from that Course Year.

Signature

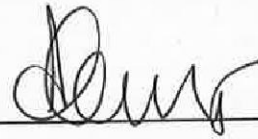


Name Captain K J Nicholson Royal Navy

Date: 04 Dec 19

Appointment Auditor

Signature



Name Brigadier A P Reilly

Date: 04 Dec 19

Appointment Auditor

PSFIAB Comments

I can confirm that I have seen and noted the auditors' comments. It is noted these accounts are retrospective and a new Fund Manager and Audit Board President are now in place.

While not all observations can be achieved before the next set of accounts - due to the retrospective nature of this audit - the annotation of statements and vouchers will be actioned to help the next auditors.

Signature



Name Lt Commander G Jones

Date: 04 December 2019.

Appointment PMAB