

HORNSEA EX-SERVICEMEN'S CLUB LIMITED
REPORT OF THE COMMITTEE AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

HORNSEA EX-SERVICEMEN'S CLUB LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Page
Club Information	1
Report of the Committee	2
Report of the President	3
Accountant's Report	4
Revenue Account	6
Balance Sheet	7
Notes to the Financial Statements	8
Income and Expenditure Account	13

HORNSEA EX-SERVICEMEN'S CLUB LIMITED

**REPORT OF THE COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2019**

The members present their report with the financial statements of the club for the year ended 31 December 2019.

COMMITTEE

The members of the committee during the year under review were as set out on page 1.

COMMITTEE OF MANAGEMENT STATEMENT OF RESPONSIBILITIES

The committee of management are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

The committee of management are required to prepare financial statements for the financial year in accordance with Financial Reporting Standards applicable in the United Kingdom and Ireland. The financial statements are required by law to give a true and fair view of the state of affairs of the club and of its surplus or deficit for that period. In preparing these financial statements, the committee of management are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the club will continue in business.

The committee of management are responsible for maintaining satisfactory systems of internal control and keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE COMMITTEE:

Mrs J Branch-Evans - Secretary

Dated: 18 March 2020

HORNSEA EX-SERVICEMEN'S CLUB LIMITED

PRESIDENT'S REPORT
YEAR ENDED 31 DECEMBER 2019

I have pleasure in presenting my report upon the club's activities for the year ended 31 December 2019 and also the club's formal report and accounts.

The club's overall operating surplus for the year amounted to £7,770 compared with a surplus of £18,588 for the previous financial year.

The income from the bar has decreased by £13,194 compared to the previous year. The gross margin achieved was 53.37% compared to 55.69% for the previous year.

The social fund income reflects an overall general decrease of £1,670 compared with the previous year. Social fund costs overall have decreased by £7,509. This has resulted in an increase in the net contribution from the social fund of £5,839.

The general operating overheads of the club have increased this year by £1,835.

Member subscriptions income decreased by £1,684 when compared to the previous year which has also reduced the club's income this year.

The club plans to maximise, as far as possible, further increases in income from the bar and social activities to meet these overhead costs.

These efforts are continuing, and the committee is confident that the club will be able to continue to meet its operating costs from current income.

Finally, I would like to take this opportunity to express my thanks and appreciation to my fellow members of the committee, the staff and club members, whom have all helped to run the club during the last financial year.

J Tether
President

18 March 2020

REPORT OF THE INDEPENDENT ACCOUNTANT TO THE MANAGEMENT COMMITTEE
OF
HORNSEA EX-SERVICEMEN'S CLUB LIMITED

We have reviewed the financial statements of Hornsea Ex-Service Men's Club Limited for the year ended 31 December 2019. These financial statements have been prepared in accordance with the accounting policies set out therein.

In accordance with our terms of engagement and in order to assist you to fulfil your duties under the Co-operative and Community Benefit Societies Act 2014, we have compiled the financial statements of the club for the year ended 31 December 2019 which comprise the Revenue Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/membershandbook.

This report is made to the club's management committee, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the club's management committee that we have done so, and state those matters that we have agreed to the committee in this report and for no other purpose in accordance with Technical Release 07/16 AAF as detailed by ICAEW. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the club and the club's management committee for our work or for this report.

Respective responsibilities of the Management Committee and the Independent Accountant

In accordance with the Co-operative and Community Benefit Societies Act 2014, you are responsible for preparing financial statements which include:

- * A revenue account, which must give a true and fair view of the income and expenditure of the organisation for the year, and;
- * A balance sheet, which must give a true and fair view of the state of affairs of the organisation at the balance sheet date.

The management committee are responsible for keeping proper books of account with respect to the organisation's transactions and assets and liabilities, and for establishing and maintaining a satisfactory system of control of its books of account, its cash holdings and all its receipts and remittances.

Our responsibility is to perform work to enable us to conclude as to whether, in our opinion, the revenue account and balance sheet are in agreement with the books of account; and whether the revenue account and balance sheet comply with the requirement of the Co-operative and Community Benefit Societies Act 2014. We are also required to report whether the financial criteria allowing the production of an accountants report instead of an audit have been met.

REPORT OF THE INDEPENDENT ACCOUNTANT TO THE MANAGEMENT COMMITTEE
OF
HORNSEA EX-SERVICEMEN'S CLUB LIMITED

Opinion

In our opinion based on the limited review carried out: -

- The revenue account and balance sheet are in agreement with the books of account kept by the organisation;
- On the basis of the information contained in the books of account, the revenue account and balance sheet comply with the requirements of the Co-operative and Community Benefit Societies Act 2014;
- The financial criteria allowing the production of a report instead of a full audit have been met.

Sowerby
Chartered Accountants
66 Newbegin
Hornsea
East Yorkshire
HU18 1AD

Date 18 March 2020

HORNSEA EX-SERVICEMEN'S CLUB LIMITED

UNAUDITED REVENUE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
INCOME		375,744	390,732
Direct expenses		190,113	197,746
GROSS SURPLUS	3	185,631	192,986
Administrative Expenses		188,132	186,297
		(2,501)	6,689
Other operating income		10,190	11,874
OPERATING SURPLUS		7,689	18,563
Interest receivable		100	31
SURPLUS FOR THE FINANCIAL YEAR BEFORE TAX		7,789	18,594
Taxation	4	19	6
SURPLUS FOR THE FINANCIAL YEAR AFTER TAXATION		7,770	18,588
Retained surplus brought forward		198,669	180,081
RETAINED SURPLUS CARRIED FORWARD		206,439	198,669

The notes form part of these financial statements

HORNSEA EX-SERVICEMEN'S CLUB LIMITED

UNAUDITED BALANCE SHEET
31 DECEMBER 2019

	Notes	2019	2018
		£	£
FIXED ASSETS:			
Tangible assets	5	133,614	140,436
CURRENT ASSETS:			
Stocks		14,332	13,559
Debtors	6	2,834	2,984
Cash at bank and in hand		84,701	72,861
		<u>101,867</u>	<u>89,404</u>
CREDITORS: Amounts falling due within one year	7	<u>28,990</u>	<u>31,111</u>
NET CURRENT ASSETS:		<u>72,877</u>	<u>58,293</u>
		<u>206,491</u>	<u>198,729</u>
CAPITAL AND RESERVES:			
Called up share capital	8	52	60
Accumulated fund		206,439	198,669
		<u>206,491</u>	<u>198,729</u>

These financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE COMMITTEE:

J Tether - President

Mrs J Branch-Evans - Secretary

Mrs N Marsh - Treasurer

Approved by the Committee on 18 March 2020

The notes form part of these financial statements

HORNSEA EX-SERVICEMEN'S CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. **STATUTORY INFORMATION**

Hornsea Ex-Service Men's Club Limited is a private company, limited by shares, registered in England. The company's registered number and registered office address can be found on the club Information page.

The financial statements are presented in Sterling, which is the functional currency of the club.

The principal activity of the club is that of the operation of a member's social club.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section IA "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have also been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014.

Having regard to liquidity risk, current market conditions and other factors affecting the club, the use of the going concern basis of accounting is appropriate as, in the opinion of the committee, there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the club to continue as a going concern.

Income

Income is shown net of value added tax and includes income from both the Bar and Social Fund activities.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land	-	not depreciated
Buildings	-	5% on reducing balance
Plant and machinery etc	-	10% on reducing balance

Stocks

Bar stocks on hand have been valued at cost by professional valuers.

Pension costs

The club operates a defined contribution pension scheme. Contributions payable to the club's pension scheme are charged to the income and expenditure account in the period to which they relate.

The notes form part of these financial statements

HORNSEA EX-SERVICEMEN'S CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. SALARIES AND WAGES	2019	2018
	£	£
Secretary	5,298	5,422
Bar staff and cleaners	119,230	114,576
Employer's national insurance	3,764	4,740
	<u>128,292</u>	<u>124,738</u>
	<u><u>128,292</u></u>	<u><u>124,738</u></u>
The average number of employees during the year was 18 (2018: 16)		
3. OPERATING SURPLUS	2019	2018
	£	£
The operating surplus is made up as follows: -		
Bar sales	248,649	261,967
Bar purchases (adjusted by stocks)	115,954	116,078
	<u>132,695</u>	<u>145,889</u>
Bar surplus	132,695	145,889
Social fund surplus	52,936	47,097
	<u>185,631</u>	<u>192,986</u>
Operating surplus	<u><u>185,631</u></u>	<u><u>192,986</u></u>
4. TAXATION	2019	2018
	£	£
The tax charge for the year is as follows: -		
Current tax:		
Corporation tax	19	6
	<u>19</u>	<u>6</u>
	<u><u>19</u></u>	<u><u>6</u></u>

UK corporation tax has been charged at 19% (2018: 19%).

The provision for tax relates to investment income only. The club operates as a mutual activity for the benefit of its members and is exempt from corporation tax on such activities.

HORNSEA EX-SERVICEMEN'S CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

5. TANGIBLE FIXED ASSETS	Freehold Land and Buildings & Improvements £	Fixtures, Fittings & Equipment £	Totals £
COST:			
At 1 January 2019	354,252	158,748	513,000
Additions – Microphone system	-	358	358
	<u>354,252</u>	<u>159,106</u>	<u>513,358</u>
At 31 December 2019	<u>354,252</u>	<u>159,106</u>	<u>513,358</u>
DEPRECIATION:			
At 1 January 2019	237,428	135,136	372,564
Charge for year	4,783	2,397	7,180
	<u>242,211</u>	<u>137,533</u>	<u>379,744</u>
At 31 December 2019	<u>242,211</u>	<u>137,533</u>	<u>379,744</u>
NET BOOK VALUE:			
At 31 December 2019	<u>112,041</u>	<u>21,573</u>	<u>133,614</u>
At 31 December 2018	<u>116,824</u>	<u>23,612</u>	<u>140,436</u>
6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		2019	2018
		£	£
Prepayments		<u>2,834</u>	<u>2,984</u>

The notes form part of these financial statements

HORNSEA EX-SERVICEMEN'S CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2019	2018
	£	£
Trade creditors	13,019	13,180
Stewards Bond	1,203	1,203
The Royal British Legion	81	81
VAT	4,624	5,661
Accrued expenses	10,044	10,980
Corporation tax	19	6
	<hr/>	<hr/>
	28,990	31,111
	<hr/> <hr/>	<hr/> <hr/>
8. CALLED UP SHARE CAPITAL	2019	2018
	£	£
The movements in the shareholders during the year were as follows: -		
At 1 January 2019	60	59
Introduced by 250 new members	12	15
	<hr/>	<hr/>
	72	74
Forfeited by 392 members	20	14
	<hr/>	<hr/>
At 31 December 2019	52	60
	<hr/> <hr/>	<hr/> <hr/>

9. STEWARDS DEPOSIT

The steward's deposit of £1,203 (2018: £1,203) is held in the club's current account at the NatWest Bank PLC.

10. CONTROLLING PARTIES

The club is controlled by the Committee on behalf of the members.

HORNSEA EX-SERVICEMEN'S CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

II. LEASING CHARGES	2019	2018
	£	£
Lighting and heating system	1,980	2,406
Cellar cooling system	-	1,337
	<u>1,980</u>	<u>3,743</u>

The notes form part of these financial statements

HORNSEA EX-SERVICEMEN'S CLUB LIMITED

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019		2018
	£	£	£
BAR			
Sales	248,649		261,967
Purchases (adjusted by stocks)	115,954		116,078
	<hr/>		<hr/>
Gross bar profit	132,695		145,889
SOCIAL FUND			
Income:			
Fruit machine	19,115		19,705
Tombola & bingo	27,366		22,919
Dabber sales	557		645
Club raffles	71,683		77,199
Snooker tables	5,817		5,407
Pool table	1,586		1,876
Room hire	240		150
Charity box & donations	731		864
	<hr/>		<hr/>
	127,095		128,765
	<hr/>		<hr/>
Expenses:			
Fruit machine rentals	5,997		6,503
Fruit machine duty	4,223		4,780
Artists fees	20,310		20,420
Match expenses	765		1,378
Raffle tickets & prizes	41,714		47,491
Bingo tickets & prizes	1,150		1,096
	<hr/>		<hr/>
	74,159		81,668
	<hr/>		<hr/>
Social fund surplus		52,936	47,097
Other Income:			
Members subscriptions	10,190		11,874
Deposit account interest	100		31
	<hr/>		<hr/>
		10,290	11,905
	<hr/>		<hr/>
Income before operating expenses		195,921	204,891
		<hr/>	<hr/>

The notes form part of these financial statements

HORNSEA EX-SERVICEMEN'S CLUB LIMITED

INCOME AND EXPENDITURE ACCOUNT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Income before operating expenses			195,921		204,891
Operating Expenses:					
Wages and national insurance	2	128,292		124,738	
Pension contributions		1,374		872	
Telephone		535		310	
Post & stationery		1,448		1,934	
Advertising		952		1,655	
Staff taxis		424		480	
Travelling expenses		154		121	
Repairs & renewals		8,003		5,796	
Alarm & CCTV maintenance		623		1,399	
Cleaning		4,464		3,763	
FSA registration fee		-		211	
Performing rights licence fee		391		578	
ERYC licence fee		280		202	
BT subscriptions		3,615		4,934	
Sundry expenses		679		505	
Accountancy		2,150		2,300	
Stocktakers fees		1,140		1,140	
Computer costs		2,225		1,837	
Rates & water		3,490		2,736	
Insurance		4,826		5,159	
Light & heat		13,068		12,774	
Bank charges		839		1,452	
Leasing charges	11	1,980		3,743	
Depreciation of fixed assets:					
Freehold property		4,783		5,035	
Fixtures, fittings & equipment		2,397		2,623	
			<u>188,132</u>		<u>186,297</u>
Surplus for the year before taxation			<u>7,789</u>		<u>18,594</u>
Corporation tax			19		6
Surplus for the year after taxation			<u><u>7,770</u></u>		<u><u>18,588</u></u>

The notes form part of these financial statements