

Financial Return

for the Year Ended 31 March 2022

Reserve Forces and Cadets Association for Wessex

PKF Francis Clark

Note from Peter Minchell WRFCA – Please note that this is subject to sign off by our audit team. While we don't expect anything to change, this may not be the final version.

Reserve Forces and Cadets Association for Wessex Consolidated Accounts for the Year Ended 31 March 2022

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Reserve Forces and Cadets Association for Wessex Consolidated Accounts for the Year Ended 31 March 2022

Information

Association Headquarters	Mount House Mount Street Taunton Somerset TA1 3QE
Bankers	Lloyds Bank Canons House Canons Way Bristol BS99 7LB
Auditors	PKF Francis Clark Ground Floor Blackbrook Gate 1 Blackbrook Business Park Taunton TA1 2PX
Intermediate Higher Level Budget Holders	Council of RFCAs Holderness House 51-61 Clifton Street London EC2A 4EY

Reserve Forces and Cadets Association for Wessex

Independent Auditors Report for the Year Ended 31 March 2022

Opinion

We have audited the financial statements of Reserve Forces and Cadets Association for Wessex for the year ended 31 March 2022 on pages 5 to 18, in accordance with the RFCA Financial Framework. These financial statements comprise the Balance Sheet, the Income and Expenditure Account and the related notes and have been prepared under the historical cost convention and the accounting policies set out therein.

In our opinion:

- the financial statements have been properly prepared in accordance with the RFCA Financial Framework; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of RFCA for Wessex in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Responsibilities of Chairman and Chief Executive

As explained in the Statement of Chairman's and Chief Executive's Responsibilities set out on page 4, the Chairman and Chief Executive are responsible for the preparation of the financial statements and the regularity and propriety of the public finances in accordance with applicable law and the requirements of the RFCA Financial Framework.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Reserve Forces and Cadets Association for Wessex

Consolidated Accounts for the Year Ended 31 March 2022

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the RFCA for Wessex and to the Council of RFCAs, as a body. Our audit work has been undertaken so that we might state to the RFCA for Wessex and to the Council of RFCAs those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the RFCA for Wessex and the Council of RFCAs as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Francis Clark

Date

CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT

Statement of Chairman's and Chief Executive's Responsibilities

The Chairman, representing the Association, and the Chief Executive are responsible for ensuring the keeping of proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the requirements of the Financial Framework. They are responsible for ensuring the assets of the Association are safeguarded and for ensuring reasonable steps are taken concerning the prevention and detection of fraud and other irregularities.

Chairman

Chief Executive

Date

Date

Reserve Forces and Cadets Association for Wessex Income and Expenditure Report for the Year Ended 31 March 2022

	Note	2022		2021	
		£	£	£	£
<u>INCOME</u>					
Funding via Council of RFCAs		11,899,448		11,367,825	
Funding received direct from funders		-		-	
Receipts generated by the RFCA		1,415,613		4,114,240	
Total Income			13,315,061		15,482,065
<u>EXPENDITURE</u>					
ESTATES MANAGEMENT					
Statutory & Mandatory		1,632,384		953,064	
Planned Maintenance		140,321		148,451	
Reactive Maintenance		816,542		1,074,597	
Incidental Work		-		-	
Life Cycle Replacement		-		-	
Condition Grade Improvement		-		-	
Injections / Projects RDEL and MNW		1,411,841		988,305	
Prof Fees/Ext Assistance		-		-	
Works in Aid of Disposal		-		-	
Sub Total			4,001,088		3,164,417
CAPITAL EXPENDITURE					
Land & Buildings		-		1,971,554	
Assets in the Course of Construction		3,651,527		1,095,146	
Sub Total			3,651,527		3,066,700
STAFF COSTS					
LE NI Civ Staff Pay		2,390,091		2,355,927	
UK NI Civ ERNIC		232,000		238,130	
LE Civ Ind Staff Pay		57,431		61,266	
UK Ind Civ ERNIC		2,977		312	
Non PCSPS Pens Payments		295,129		301,785	
Redundancy Payment		-		-	
Sub Total			2,977,628		2,957,420

Reserve Forces and Cadets Association for Wessex Income and Expenditure Report for the Year Ended 31 March 2022

	Note	2022		2021	
		£	£	£	£
INFRASTRUCTURE					
Heating Oil		-		-	
Gas		6,125		6,053	
Electricity		42,723		39,425	
Water & Sewage		369		366	
Estate & FMS Accommodation Stores		146,365		177,315	
Energy Cons & Environmental Change		32,031		25,763	
Rates/NDR		997,619		1,016,706	
Sub –Letting Costs		105,435		35,583	
Rents/Leases/Alarms/Lettings		150,788		189,876	
Sub Total			1,481,455		1,491,087
IT & COMMS					
IT Minor Equipment HW/SW		46,002		24,433	
IT Maintenance Services & Contracts		2,456		17,390	
Line & Tel Rental		25,159		58,363	
Sub Total			73,617		100,186
TRANSPORT & MOVEMENT					
Depreciation		274,282		292,205	
Loss on sale of vehicle		-		15,311	
Lease of Vehicles		-		-	
Vehicle Maint		36,070		15,412	
Fuel (Non Utilities)		770		212	
Sub Total			311,122		323,140
RECRUITING SUPPORT					
Employer Support (DRM)		7,668		5,618	
Recruiting Support		5,561		19,119	
Sub Total			13,229		24,737

Reserve Forces and Cadets Association for Wessex Income and Expenditure Report for the Year Ended 31 March 2022

	Note	2022		2021	
		£	£	£	£
GRANTS					
CRFCA Payment		21,000		100,004	
Payments to Welfare Assoc		258,741		427,104	
ACF Operating Costs		237,478		182,580	
Arms Reserve Establishment & Band Grant		3,645		3,577	
RAuxAF Admin & PR		3,101		-	
Sub Total			523,965		713,265
ADMINISTRATION					
Office/General Administration		181,297		130,604	
Education/Training		3,057		3,583	
Professional Fees		14,520		24,310	
Legal Costs		-		854	
Insurance		-		-	
Travel & Subsistence		19,842		6,336	
Entertainment		-		-	
Sub Total			218,716		165,321
HR SUPPORT					
HR & Recruiting – Civilian Assoc Staff		12,852		11,166	
Sub Total					11,166
TOTAL EXPENDITURE			13,265,199		12,017,439
Excess (Expenditure)/Income for the Year			49,862		3,464,626

Reserve Forces and Cadets Association for Wessex Balance Sheet for the Year Ended 31 March 2022

	Note	2022		2021	
		£	£	£	£
NON CURRENT ASSETS					
Vehicles (net book value)	5		1,198,199		1,279,356
CURRENT ASSETS					
Current Account	6	3,641,249		4,013,946	
Petty Cash	6	500		500	
Sundry Debtors	7	1,057,187		1,388,365	
Amounts paid in Advance	7	181,375		191,145	
			4,880,311		5,593,956
CURRENT LIABILITIES					
Sundry Creditors	8	-		40,028	
Accruals/Deferred Payments	8	500,443		253,143	
Advance Receipts	8	653,903		1,693,544	
			1,154,346		1,986,715
NON CURRENT LIABILITIES					
Creditors due in more than one year	9		-		-
TOTAL ASSETS LESS TOTAL LIABILITIES			<u>4,924,164</u>		<u>4,886,597</u>
FINANCED BY					
Capital reserves		1,198,199		1,279,356	
General reserves	12	3,725,965		3,607,241	
			<u>4,924,164</u>		<u>4,886,597</u>

The financial statements were approved by
the

on

and signed on its behalf by:

Chairman

Chief Executive

Reserve Forces and Cadets Association for Wessex

Notes to the Accounts for the Year Ended 31 March 2022

1 Statement of Accounting Policies

1.1 Introduction

The financial statements are prepared in accordance with applicable law and the requirements of the Financial Framework and the regularity and propriety of the public finances.

1.2 Accounting convention

The financial statements are prepared on an accruals basis under the historical cost convention.

1.3 Basis of preparation of RFCA accounts

The financial statements comprise a consolidation of Stakeholder accounts (list detailed at 2.1). Fixed assets, other than vehicles, are included on the Balance Sheet at HQ Army level and accounted for using both historic cost accounting and modified historic cost accounting.

1.4 Vehicle fixed assets and depreciation

Vehicle fixed assets are accounted for at cost less accumulated depreciation modified to include the MoD indexation revaluation by applying Modified Historical Cost Accounting (MHCA). MHCA ceased for FY 13/14 onwards but re-applied from FY 16/17. Depreciation is provided on a straight line basis to write off the cost less estimated residual value over the expected useful economic life. Depreciation rates vary between different vehicles depending on the estimated useful economic lives of the assets but typically fall within the range 10% to 25%.

1.5 Net operating costs

Costs and expenses are charged to the Operating Cost Statement in the period in which they are incurred and matched to any related recoveries. Recoveries are determined generally by reference to the cost of goods supplied and services rendered during the period, including attributable overhead costs.

1.6 Investments

Investments may either be equity investments, or medium or long term loans made with the intention of providing working capital or commercial support. Investments classified as fixed asset investments are stated at cost.

1.7 Provision for liabilities

Environmental Liabilities. Measurement of liabilities is based on current legal requirements and related extant technical knowledge. The provision for liabilities is regularly reviewed and adjusted, as appropriate, for changed in law or technical knowledge.

Restructuring Provisions. These provisions should only be recognised when the entity has a detailed plan for, and is inextricably committed to reorganisation.

Provisions should only include expenditure, which is both necessarily entailed by a reorganisation, and not associated with ongoing or new activities. Examples include redundancy and relocation costs.

1.8 Operating leases

Operating leases are charged to the income and expenditure account on a straight line basis over the period of the lease.

1.9 Reserves

Reserves comprise of a general and a capital reserve.

1.10 Non-public funds and assets

Non-public funds and assets are not included within these accounts and are identified and accounted for separately.

Reserve Forces and Cadets Association for Wessex

Consolidated Accounts for the Year Ended 31 March 2022

2 Income

2.1 Funding via Council of RFCAs	2022	2021
	£	£
RC – Grant in Aid	3,348,688	3,481,569
RC – Grants to RF and Cadets (RDEL)	-	-
RC – Vehicles	155,288	128,632
DIO – Soft FM	1,201,728	1,215,980
DIO – Hard FM	2,591,444	2,064,044
DIO – Projects - RDEL	524,855	467,253
DIO– Projects - CDEL	3,421,775	3,000,213
RF&C - DRM	132,103	116,430
Funding Sundry – Injured Servicemen	-	-
Funding Sundry – RF&C Projects	70,405	96,171
Navy	-	-
Navy CDEL	-	-
RAF RDEL	-	-
RAF CDEL	-	-
RAF Reserves RDEL	3,101	-
RAF Reserves CDEL	-	-
RAFAC - Input	191,319	210,241
RAFAC - RDEL	-	-
RAFAC - CDEL	-	-
Army Infra – RDEL	-	427,104
Army Infra – CDEL	-	-
	<u>11,899,488</u>	<u>11,207,637</u>
 2.2 Funding received direct from funders	 2022	 2021
	£	£
	<u>-</u>	<u>-</u>

Reserve Forces and Cadets Association for Wessex Consolidated Accounts for the Year Ended 31 March 2022

2.3 Receipts generated by the RFCA	2022	2021
	£	£
Rent Receipts - Land	201,362	106,061
Rent Receipts - Buildings	150,861	87,702
Bank Interest	188	10,664
Receipts – Misc (inc of NDR relief/rebates)	1,013,070	3,855,276
Sale of Land & Buildings	-	50,000
Sale of Other Equipment	(735)	-
Employer Support Events	-	-
Recruiting Events	-	-
Gains on Sales of Vehicles	50,866	4,537
	<u>1,415,612</u>	<u>4,114,240</u>

3 Staff numbers and costs

3.1 The average number of persons employed during the year was as follows:

	2022	2021
Civilian	84.9	87.9

3.2 The aggregate payroll costs of these persons were as follows:

	2022	2021
	£	£
Salaries – Civilian	2,279,503	2,417,193
Social Security/ERNIC Costs	218,501	238,441
Pension Costs	275,258	301,786
Redundancy Payment	-	-
	<u>2,773,262</u>	<u>2,957,420</u>

3.3 Salaries include, where appropriate, reserved rights to London Weighting or London Allowances, Recruitment and Retention Allowances and Private Office Allowances. Bonuses paid in respect of the year are also included.

Reserve Forces and Cadets Association for Wessex Consolidated Accounts for the Year Ended 31 March 2022

4 Pensions

Present and past employees are mainly covered by the Council of RFCA Retirement and Death Benefits plan which receives contributions from employers and employees. For 2020/21 the employer contributions were 13% (2019/20: 13%) of pensionable payroll and employee contributions were 5% (2019/20: 5%) of pensionable salary.

5 Non-current assets - vehicles	2022	2021
	£	£
Cost		
At 1 April 2021	2,242,718	2,171,806
Prior Year Adjustment		
MHCA	(21,553)	89,098
Additions	294,034	206,527
Disposals	(236,829)	(224,713)
At 31 March 2022	2,278,370	2,242,718
Depreciation		
At 1 April 2021		775,389
Prior Year Adjustment	963,362	
MHCA	(9,258)	31,810
Charge for the year	274,282	292,205
On disposals	(148,215)	(136,042)
At 31 March 2022	1,080,171	963,362
Net Book Value		
At 31 March 2021	1,279,356	1,396,419
At 31 March 2022	1,198,199	1,279,356

6 Cash at bank	2022	2021
	£	£
Net current account	3,641,249	2,513,946
Deposit account	-	1,500,000
Other account	500	500
	3,641,749	4,014,446

Reserve Forces and Cadets Association for Wessex Consolidated Accounts for the Year Ended 31 March 2022

7 Debtors	2022	2021
	£	£
Sundry debtor (note 7.1)	1,057,187	1,388,365
Prepayments and accrued income (note 7.2)	181,375	191,145
	<u>1,238,562</u>	<u>1,579,510</u>

There are no debtors falling due after more than one year.

7.1 Other debtors	2022	2021
	£	£
Due from MoD	1,035,936	1,326,277
Sundry debtors	2,600	14,000
Employees' pension/AVC contributions	-	-
Sub-letting rent receivable	18,651	48,088
	<u>1,057,187</u>	<u>1,388,365</u>

7.2 Prepayments and accrued income	2022	2021
	£	£
Pension contributions	158,772	154,887
Rents, leases and alarms	21,143	20,435
Sundry prepayments	1,460	15,823
Accrued income - interest	-	-
	<u>181,375</u>	<u>191,145</u>

8 Creditors (due within one year)	2022	2021
	£	£
Bank overdrafts	-	-
Other creditors (note 8.1)	-	3,341,805
Accruals (note 8.2)	500,443	253,143
Advance receipts (note 8.3)	653,903	1,853,732
	<u>1,154,346</u>	<u>5,448,680</u>

Reserve Forces and Cadets Association for Wessex Consolidated Accounts for the Year Ended 31 March 2022

8.1 Other creditors	2022	2021
	£	£
Due to MOD	-	29,781
CIS tax	-	-
HMRC	-	-
Unit lettings shares due	-	-
Sundry creditors	-	10,247
	<u>-</u>	<u>40,028</u>
	<u>-</u>	<u>40,028</u>
	2022	2021
	£	£
8.2 Accruals		
Estates management	191,807	-
Utilities	36,008	6,503
Other infrastructure	45,950	123,984
Legal and professional fees	15,000	15,480
Sundry accruals	211,678	107,176
	<u>500,443</u>	<u>253,143</u>
	<u>500,443</u>	<u>253,143</u>
	2022	2021
	£	£
8.3 Advance receipts		
Grant-in-aid	-	-
Grants	641,020	1,645,457
Regionally generated income	12,883	48,087
Other deferred income	-	-
	<u>653,903</u>	<u>1,693,544</u>
	<u>653,903</u>	<u>1,693,544</u>

Reserve Forces and Cadets Association for Wessex Consolidated Accounts for the Year Ended 31 March 2022

9 Creditors (due in more than one year)

	2022 £	2021 £
	-	-
	-	-
	<u>-</u>	<u>-</u>

10 Commitments under operating leases

	2022	2021
RC – Assn HQ, AR, ACF, CCF & UOTC	£	£
Land and buildings		
Within one year	28,712	38,824
Between 2 and 5 years	108,094	32,043
Over 5 years	218,223	23,251
	<u>355,029</u>	<u>94,118</u>
Other		
Within one year	-	-
Between 2 and 5 years	-	-
Over 5 years	-	-
	<u>-</u>	<u>-</u>
	<u>355,029</u>	<u>94,118</u>
	2022	2021
HQ Air – ATC, RAF & RAuxAF	£	£
Land and buildings		
Within one year	19,776	18,736
Between 2 and 5 years	67,595	24,588
Over 5 years	137,761	15,702
	<u>225,132</u>	<u>59,026</u>

Reserve Forces and Cadets Association for Wessex

Consolidated Accounts for the Year Ended 31 March 2022

10 Commitments under operating leases (continued)

	2022	2021
	£	£
HQ NC - RMR, RNR, URNU & SCC		
Land and buildings		
Within one year	-	-
Between 2 and 5 years	-	-
Over 5 years	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Other		
Within one year	-	-
Between 2 and 5 years	-	-
Over 5 years	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

11 Contingent liabilities

Work is currently being done to review leases committed to by the Association to identify any dilapidation provisions that may arise in the future. It is likely to be the policy in the future that the Association will disclose the maximum potential liability that could occur for dilapidations. This will be an estimate in some cases due to the length of time that the lease has been in place. Further estimates will be given in the year ending 31 March 2023.

	Revenue	Capital
	£	£
12 Reserve memorandum		
Balance as at 1 April 2021	3,607,241	1,279,356
MHCA adjustment	-	(12,295)
Prior year adjustment	-	-
Excess (expenditure) / income for the year	118,724	(68,862)
Balance as at 31 March 2022	<u>3,725,965</u>	<u>1,198,199</u>

Reserve Forces and Cadets Association for Wessex Consolidated Accounts for the Year Ended 31 March 2022

12.1 Breakdown of revenue reserves	Reserves carried forward	Current year's grant	Maximum permitted balance (2% of grant)
	£		£
RC– Grant in Aid	204,053	3,348,688	66,974
DIO – Soft FM	96,960	1,201,728	24,035
RC – Grants to RF and Cadets (RDEL)	-		
RC – Vehicles	-		
DIO – Hard FM	50,317	2,591,444	51,829
DIO – Projects - RDEL	-		
DIO – Projects - CDEL	-		
Funding Sundry	18,668		
RFC - DRM	-		
CRG	-		
Navy	-		
Navy - RDEL	-		
Navy - CDEL	-		
RAF - RDEL	-		
RAF - CDEL	-		
RAF Reserves - RDEL	-		
RAF Reserves - CDEL	-		
RAFAC - Input	-		
RAFAC - RDEL	-		
RAFAC - CDEL	-		
Army Infra – RDEL	-		
Army Infra – CDEL	-		
Regionally generated income	3,355,967		
Total revenue reserves balance	3,725,965		