

THE UNION JACK CLUB

**A Charitable Company Limited by Guarantee
governed by a Memorandum and Articles of Association**

**Registered Charity Number: 208731
Registered Company Number: 00080683**

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Union Jack Club

A Charitable Company Limited by Guarantee
governed by a Memorandum and Articles of Association

Sandell Street, Waterloo, London SE1 8UJ

Patron: The Late Queen

Governing Council

President: Vice Admiral Sir David Steel KBE DL

Vice President: Brigadier J R H Stopford CBE

Honorary Treasurer Mr D A Cooper MBA FCA

Trustees

Mr D E P Albert

Air Commodore M Barnes

Mr P E Davidson FRICS

Mr C C Tite (appointed 10th October 2023)

Rear Admiral S Dainton CBE

(appointed 11th December 2023)

Mrs R Garside

Air Commodore J Linter OBE MA

Captain TFW Martin OBE RN (retired 14th June 2023)

Colonel J Brown (retired 11th December 2023)

Lieutenant Commander N G N Ashford FCA, FCSI

(retired 14th June 2023)

Chief Executive Officer:

Mr H H Player

Secretary:

Mrs Z Nield

Solicitors:

Ashurst LLP

London Fruit and Wool Exchange

1 Duval Square

London

E1 6PW

Auditors:

Moore Kingston Smith LLP

6th Floor

9 Appold Street

London

EC2A 9AP

Bankers:

Barclays Bank PLC

UK Banking

1 Churchill Place

London

E14 5HP

Registered Office:

Sandell Street

Waterloo

London

SE1 8UJ

Investment Company:

Evelyn Partners

45 Gresham Street

London

EC2V 7BG

Company Registration Number: 00080683

Registered Charity Number: 208731

The Union Jack Club

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Sandell Street, Waterloo, London SE1 8UJ

GENERAL COMMITTEE

(As at 31 December 2023)

Warrant Officer 1 W Biggar
Warrant Officer 1 S Eardley
Warrant Officer 1 L Sanders
Warrant Officer 1 A Lamont
Warrant Officer 1 B Henderson MVO MBE
Warrant Officer 1 S Martin
Warrant Officer 1 R Bould
Warrant Officer 1 J Clarke
Warrant Officer 1 P Carney
Warrant Officer 1 R Nyambira
Warrant Officer 1 R Wiseman
Warrant Officer 1 V Stokes OBE MVO
Mr P Houldsworth
Mr J Ray
Mr V Silvester
Mr J Shepherd

Warrant Officer 1 M Stanion
Warrant Officer 1 T Jukes
Warrant Officer D Edwards
Warrant Officer 1 D Smith
Warrant Officer 1 G Fellows
Warrant Officer 1 B Meldrum
MAcr J Stone
Warrant Officer D Illffe
Warrant Officer G Evans
Warrant Officer A Harris
Warrant Officer E Kerslake
Warrant Officer 1 M Lightowlers
Warrant Officer S Thorpe
Warrant Officer 1 R Tuach
Warrant Officer 1 M Farr
Warrant Officer P Wilson

THE UNION JACK CLUB

COUNCIL'S REPORT and STRATEGIC REVIEW

FOR THE YEAR ENDED 31 DECEMBER 2023

The Council, as the Governing Body of the Union Jack Club and Trustees of the Charity, present their report and accounts for the year ended 31st December 2023 in accordance with applicable accounting standards, the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Union Jack Club

The Union Jack Club consists of 13 Life Members, all of whom stand surety for the guarantee as required in the Memorandum of Association. The Articles of Association empower the Governing Council to elect new Members.

New Members are elected by recommendation based on their expertise and qualifications. Members are kept up to date on Trustee issues by the distribution of pamphlets and briefs.

Members of the Council

The members of Council during the year are shown on page 1.

At the Annual General Meeting of the Union Jack Club held on 6th June 2023, Mr David Albert and Mr David Cooper, being Directors of the Company retiring by rotation, were re-elected as Directors of the Company for a term of three years as defined in the Articles, notwithstanding the provision of article 32. Vice Admiral Sir David Steel, was elected a Director of the Company for a term of three years as defined in the Articles.

The daily operation of the Union Jack Club is delegated to the Chief Executive assisted by the Management Team. Members of the Council meet four times a year. They review the accounts for the previous year and deliberate on the budget proposals put forward by the Chief Executive for the following year. Members of the Council monitor the progress of the Budget throughout the year and assess the risks faced by the Union Jack Club, see below.

General Committee

Members of the General Committee are shown on page 2.

The General Committee's main duties under the overall control of the Council are to represent the membership and ensure that Members' views and opinions are conveyed to the Council and Officials of the Club. It advises the Council on entrance fees, annual subscriptions and accommodation charges, and decides on the election of ex-service members.

Investment Powers and Policy

During the year the investments of The Union Jack Club were managed by Evelyn Partners, under a Discretionary Investment Management Agreement. The objectives of the portfolios are to seek to maximise the total return on the portfolio while investing prudently and without exercising undue risk. The return objective of the main investment portfolio is to outperform RPI plus 4% pa.

Additionally, the Union Jack club invests in a Property Fund (PITCH), managed by Swiss Life Asset Management.

Remuneration Policy of Senior Management Personnel

In relation to deciding remuneration for the Charity's senior executives, the Charity considers the potential impact of remuneration levels and takes account of the following additional principles:

To ensure that the Charity can access the types of skills, experiences and competencies that it needs in its senior staff, the specific scope of these roles in the Charity, and the link to pay.

The nature of the wider employment offer made to senior employees, where pay is one part of a package that includes personal development, personal fulfilment and association with the public benefit delivered.

Remuneration for the year ended 31 December 2023 comprised salary, pension contributions, bonus award and healthcare benefit. There are no other pecuniary benefits for senior or other staff at the Charity.

THE UNION JACK CLUB

COUNCIL'S REPORT and STRATEGIC REVIEW (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

OBJECTS AND ACTIVITIES

The objects of the Union Jack Club are to promote the welfare of serving and veteran enlisted members of the Regular, Reserve, and Auxiliary forces of the Crown, their spouses and partners, and their families, as defined by the Council of the Union Jack Club, in establishing, maintaining, and conducting a residential Club for their use and accommodation.

The principal activity of the Union Jack Club continues to be the provision of all the normal facilities of a residential Club in London for enlisted members and ex-members of the His Majesty's Armed Forces, their spouses / partners and families.

STRATEGIC REPORT

Risk Management

The Trustees have a risk management strategy which comprises:

- An annual review of principal risks and uncertainties that the Union Jack Club and trading subsidiary face.
- The establishment of policies, systems and procedures to mitigate those risks identified in a Annual review.
- The provision of an adequate portfolio of insurance covers.
- The implementation of procedures designed to minimise or manage any potential impact on the Union Jack Club and trading subsidiary, should those risks materialise.

The availability of sufficient financial resources has been identified as a main risk. The management of this is through regular review of available funds, active management of trade debtors, creditors and working capital to ensure there is adequate and appropriate maintenance of the building to allow the charity to meet its beneficiaries' needs and other objectives.

The non-financial risks arising from fire, health and safety, food hygiene, GDPR and safety of members, guests and staff are managed by robust policies, procedures and regular training of staff.

Governance and Internal Control

Risk assessment is the responsibility of Council.

The Council aims to ensure that:

- the Charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the Charity, or for publication, is reliable;
- and
- the Charity complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material mis-statement or loss. They include:

- a strategic plan and an annual budget approved by the Council;
- regular consideration by the Trustees of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Council has introduced a formal risk management process to assess business risks and implement risk management strategies. As part of this process the Council has reviewed the adequacy of the Charity's current internal controls.

The Union Jack Club (Trading) Limited

The Union Jack Club (Trading) Limited, a wholly owned subsidiary of the Union Jack Club, purchases, under strict controls, any accommodation that is not required for the beneficiaries of the Charity. The accounts of the company are consolidated with those of the Charity.

THE UNION JACK CLUB

COUNCIL'S REPORT and STRATEGIC REVIEW (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in section 17 (1) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

The Union Jack Club's charitable purpose is enshrined in its objects as described.

ACHIEVEMENTS AND PERFORMANCE

At the end of the year 2023, the Union Jack Club Group had a Net Operating Income of £2,167,345 (2022 Net Operating Income £1,478,510). There was a gain on investments of £487,838 (2022 loss £1,016,596) which increased Net Income to a surplus of £2,655,184 (2022 surplus £461,914).

Improvements to the Club in 2023 included the refreshing of bedrooms on the 24th floor including new furniture, reception extraction fans were replaced and lift 1 had a refit. A new payroll and HR software system has been introduced. All radiators within the building now have new thermostatic valves.

The Union Jack Club also received legacies for £1,327,505 (2022 £498,308) and voluntary donations of £25,267 (2022 £20,298) generously given by Members and guests during the year, which are used for the development and maintenance of the Club. All capital projects completed during the year represent the Club's fixed assets additions which are depreciated over 5, 10, 20 or 25 years.

FINANCIAL REVIEW

The financial statements consist of the consolidated results of The Union Jack Club and The Union Jack Club (Trading) Limited, and the consolidated and Charity balance sheets. Principal sources of income were: legacies £1,320,395 (2022 £496,308), membership income of £694,790 (2022 £645,142); residential services to members of £8,301,516 (2022 £7,203,221) and income generated from non-members of £1,802,647 (2022 £1,518,645). Operating expenditure consisted mainly of the provision of membership and residential services of £9,153,356 (2022 £7,721,581) and the cost of servicing non-members of £1,007,086 (2022 £852,617). At the end of the year the Group had net income of £2,655,184 (2022 £461,914). Without the significant legacies received the net movement in funds would have been £1,321,189 (2022 a loss £93)

Land and buildings have been included in the accounts at net book value of £1.7 million (2022 £1.9 million). The Council considers that the market value of the freehold land and buildings is considerably in excess of the book values.

Reserves Policy

The Union Jack Club is a charity and also a company limited by guarantee and does not rely upon public subscription in order to achieve its charitable objectives.

The Club's reserves are represented by the buildings and contents, without which it could not function, one investment portfolio which is managed by professional investors under the direction of the Trustees, and a trading company of which the charity is the sole shareholder.

The Club achieves its objectives of providing, maintaining and continuously improving reasonably priced accommodation and all the amenities of a London Club for current and former enlisted members of the Armed Forces and their families by relying where necessary upon the income generated from investments to fund pensions and to make good any loss incurred in any year.

The Council has reviewed the Club's needs for reserves in line with the guidance issued by the Charity Commission. The review concluded that, in order to allow the Charity to be managed efficiently, and ensure the Club can continue to maintain and improve the accommodation and amenities, and cope through periods of changes in trading, and in the event of sudden major disruption or disasters, a general unrestricted spendable or free reserve (as defined by the Charity Commission) should aim to be no less than 6 months operating costs, which in a normal trading year would be expected to equate to approximately £ 5.2 million.

At the 31st December 2023, the Club's total reserves amounted to £14,612,481 of which £4,280,949 was tied up in the Club's building and fixed assets, and as such was not freely spendable. In addition £2,816,703 is designated as the Infrastructure Fund and £1,622,680 as an Unrealised Revaluation Reserve Fund, leaving £5,892,149 free as unrestricted funds. The reserves policy is reviewed on an annual basis.

Note 16 includes the utilisation of the designated funds.

THE UNION JACK CLUB

COUNCIL'S REPORT and STRATEGIC REVIEW (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

Investment performance

During 2023, the previous Matching Portfolio has been merged into the Main Portfolio. At the end of 2023, the Main Portfolio, was valued at £ 9,156,839. The Main Portfolio produced a total gain of £487,838, compared to its benchmark of RPI plus 4%. The Investment in Property Income Trust for Charities was valued at £560,458 on the 31st December 2023; a 0.71% loss on the previous year.

Future Plans

The Union Jack Club plan for 2024 is to continue the rolling programme of refreshing and upgrading bedroom accommodation. This includes a new accessible suite in place of the dormitory and 2 new superior rooms on the 23rd floor replacing an underutilised meeting room and ironing room. TVs will be upgraded in doubles, superiors, flats and the suite. Further works to upgrade the passenger cars will be undertaken.

Statement of Council's Responsibilities

The Trustees (who are also directors of The Union Jack Club for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires Trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of the affairs of the Charity and the Group, and of its income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for ensuring proper accounting records, that disclose the financial position of the Charity with reasonable accuracy at any time, enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity, Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Annual Report is approved by the Trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the trustees in their capacity as directors in the company law of the Charity

This report was approved by the Governing Council on 5 March 2024.



Z Nield MIH
Company Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE UNION JACK CLUB

Opinion

We have audited the financial statements of The Union Jack Club (the 'company') for the year ended 31 December 2023 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31st December 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 Financial Statements section of our report. We are independent of the charitable company 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.

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS and TRUSTEES OF THE UNION JACK CLUB

Opinions on other matters prescribed by The Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and Trustees' annual report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the strategic report and Trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or in the Trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 6, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS and TRUSTEES OF THE UNION JACK CLUB

- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud are; to identify and assess the risks of material misstatement of the Financial Statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the Financial Statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE UNION JACK CLUB

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Adam Fullerton (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Date: 7 June 2024

THE UNION JACK CLUB
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2023

2023

	Note	Unrestricted Fund £	Infrastructure / Legacy Fund £	Total 2023 £
INCOME + ENDOWMENTS				
Donations and legacies	3	1,433,039	-	1,433,039
Trading activities	4	1,802,647	-	1,802,647
Other Income		93,963	-	93,963
Other Income - Insurance Claim	7	12,643	-	12,643
Investment Income	5	233,249	-	233,249
		<u>3,575,541</u>	<u>-</u>	<u>3,575,541</u>
Charitable Activities				
Subscriptions	6	694,790	-	694,790
Provision of residential services	6	8,301,516	-	8,301,516
Total Operating Income		<u>12,571,848</u>	<u>-</u>	<u>12,571,848</u>
EXPENDITURE				
Raising Funds				
Trading activities	4	1,007,086	-	1,007,086
Fundraising and publicity	8	52,187	-	52,187
Investment management fees	8	41,116	-	41,116
Finance costs	8	142,658	-	142,658
Finance cost of pension liability	15	8,100	-	8,100
Total cost of raising funds		<u>1,251,147</u>	<u>-</u>	<u>1,251,147</u>
Charitable Activities				
Provision of membership and residential services		9,153,356	-	9,153,356
Total Operating Expenditure	8	<u>10,404,503</u>	<u>-</u>	<u>10,404,503</u>
Net Operating Income/(Expenditure)		2,167,345	-	2,167,345
Net Gain on investment assets	10	487,838	-	487,838
Net Income		<u>2,655,184</u>	<u>-</u>	<u>2,655,184</u>
Transfer between Funds				
Actuarial Loss on pension scheme	15	(13,600)	-	(13,600)
Gross transfer between funds	16	(1,320,395)	1,320,395	-
Net Movement in Funds		<u>1,321,189</u>	<u>1,320,395</u>	<u>2,641,583</u>
Fund balances brought forward				
1 January 2023		<u>10,474,589</u>	<u>1,496,308</u>	<u>11,970,898</u>
Fund balances carried forward at				
31 December 2023	17 a)	<u>11,795,778</u>	<u>2,816,703</u>	<u>14,612,481</u>

The statement of financial activities, which incorporates the income and expenditure account, includes all gains and losses recognised in the year. All incoming resources and resources expended are derived from continuing activities.

* Comparative figures can be found on page 12

THE UNION JACK CLUB
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2022

2022

	Note	Unrestricted Fund £	Infrastructure / Legacy Fund £	Total 2022 £
INCOME + ENDOWMENTS				
Donations and legacies	3	749,384	-	749,384
Trading activities	4	1,518,645	-	1,518,645
Other Income		34,236	-	34,236
Other Income - Insurance Claim	7	3,263	-	3,263
Investment Income	5	118,149	-	118,149
		<u>2,423,676</u>	<u>-</u>	<u>2,423,676</u>
Charitable Activities				
Subscriptions	6	645,142	-	645,142
Provision of residential services	6	7,203,221	-	7,203,221
		<u>10,272,040</u>	<u>-</u>	<u>10,272,040</u>
Total Operating Income				
EXPENDITURE				
Raising Funds				
Trading activities	4	852,617	-	852,617
Fundraising and publicity	8	39,417	-	39,417
Investment management fees	8	38,545	-	38,545
Finance costs	8	137,770	-	137,770
Finance cost of pension liability	15	3,600	-	3,600
		<u>1,071,949</u>	<u>-</u>	<u>1,071,949</u>
Total cost of raising funds				
Charitable Activities				
Provision of membership and residential services		7,721,581	-	7,721,581
		<u>8,793,530</u>	<u>-</u>	<u>8,793,530</u>
Total Operating Expenditure				
Net Operating Income / (Expenditure)				
		1,478,510	-	1,478,510
Net loss on investment assets				
	10	(1,016,596)	-	(1,016,596)
		<u>461,914</u>	<u>-</u>	<u>461,914</u>
Net Income				
Transfer between Funds				
Actuarial gain on pension scheme	15	34,300	-	34,300
Gross transfer between funds	16	(496,308)	496,308	-
		<u>(93)</u>	<u>496,308</u>	<u>496,215</u>
Net Movement in Funds				
Fund balances brought forward				
1 January 2022		<u>10,474,682</u>	<u>1,000,000</u>	<u>11,474,682</u>
Fund balances carried forward at				
31 December 2022	17 b)	<u>10,474,589</u>	<u>1,496,308</u>	<u>11,970,897</u>

The statement of financial activities, which incorporates the income and expenditure account, includes all gains and losses recognised in the year. All incoming resources and resources expended are derived from continuing activities.

* Comparative figures can be found on page 11

THE UNION JACK CLUB
BALANCE SHEET
AS AT 31 DECEMBER 2023

	Notes	Charity		Group	
		2023 £	2022 £	2023 £	2022 £
Fixed Assets					
Tangible assets	9	4,436,950	4,547,268	4,436,950	4,547,268
Investments	10	9,717,300	6,401,271	9,717,298	6,401,269
		<u>14,154,250</u>	<u>10,948,539</u>	<u>14,154,248</u>	<u>10,948,537</u>
Current Assets					
Stocks	11	92,693	64,539	111,160	86,276
Debtors	12	1,442,611	196,726	1,513,227	257,792
Cash at bank and in hand		1,816,274	2,027,174	2,283,754	2,552,328
		<u>3,351,578</u>	<u>2,288,439</u>	<u>3,908,141</u>	<u>2,896,396</u>
Liabilities					
Creditors: Amounts falling due within one year	13	(3,497,315)	(1,748,061)	(3,258,315)	(1,689,992)
Net Current Assets		(145,737)	540,378	649,826	1,206,404
Total Assets less Current Liabilities		<u>14,008,513</u>	<u>11,488,917</u>	<u>14,804,074</u>	<u>12,154,941</u>
Creditors: Amounts falling due after more than one year:	14	(22,592)	(15,244)	(22,592)	(15,244)
Discretionary pension provision	15	(169,000)	(168,800)	(169,000)	(168,800)
Net Assets		<u>13,816,921</u>	<u>11,304,873</u>	<u>14,612,481</u>	<u>11,970,897</u>
Accumulated Funds					
Unrestricted Funds:					
Designated Revaluation Reserve	16	1,622,680	981,162	1,622,680	981,162
Designated Fixed Asset Reserve	16	4,280,949	4,313,268	4,280,949	4,313,268
Designated Infrastructure Fund	16	2,816,703	1,496,308	2,816,703	1,496,308
Income and Expenditure Reserve	16	5,226,125	4,514,135	5,892,149	5,180,159
	17 a)	<u>13,816,921</u>	<u>11,304,873</u>	<u>14,612,481</u>	<u>11,970,897</u>

As permitted by S408 of the Companies Act 2006, the Company has not presented its own statement of financial activities and related notes. The Charity surplus for the year was £2,512,047 (2022 surplus £150,126)

The financial statements were approved and authorised for issue by the Governing Council of The Union Jack Club on 5 March 2024 and were signed below on its behalf by:



President

Vice Admiral Sir David Steel KBE DL



Honorary Treasurer

Mr David Cooper MBA, FCA
Company No: 00080683

THE UNION JACK CLUB
CONSOLIDATED STATEMENT OF CASHFLOWS
AS AT 31 DECEMBER 2023

	2023 £	2022 £
Cash flow from operating activities		
Net cash provided by operating activities	<u>3,151,188</u>	<u>2,945,896</u>
Cash flows from investing activities		
Investment income and interest received	233,249	118,149
Finance costs	(142,658)	(137,770)
(Decrease) / Increase in cash held by investment manager	135,333	22,232
Proceeds from disposal of fixed asset investments	719,185	1,192,641
Acquisition of fixed asset investments	(3,682,710)	(1,293,581)
Payments to acquire tangible fixed assets	<u>(682,162)</u>	<u>(510,656)</u>
	<u>(3,419,764)</u>	<u>(608,985)</u>
Cash flows from financing activities		
Loan repaid	-	(1,425,000)
Net increase in cash and cash equivalents	(268,574)	911,913
Cash and cash equivalents at beginning of year	<u>2,552,328</u>	<u>1,640,415</u>
Cash and cash equivalents at end of year	<u>2,283,754</u>	<u>2,552,328</u>

Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net Movement in Funds	2,641,585	496,214
Adjustments for:		
Less investment income	(233,249)	(118,149)
Add finance costs	142,658	137,770
Add depreciation and disposal of tangible fixed assets	792,480	764,807
Add Loss / Subtract gain on investment assets	(487,838)	1,016,596
Add / Subtract Pension provision adjustment	200	(51,400)
Increase in stocks	(24,884)	(14,066)
Increase / Decrease in debtors	(1,255,436)	14,025
Increase / decrease in creditors	1,568,324	884,894
Decrease in Long Term Creditors	7,348	(184,794)
Net cash provided by operating activities	<u>3,151,188</u>	<u>2,945,896</u>

Analysis of changes in net debt

	As at the 1st January 2023	Cash Flow	As at the 31st December 2023
Cash	£2,552,328	(268,574)	£2,283,754

THE UNION JACK CLUB

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 COMPANY INFORMATION

The Union Jack Club, a registered charity, is a company limited by guarantee, not having a share capital and is incorporated in England and Wales. In the event of a winding up, each member may be required to contribute an amount not exceeding £1 towards the settlement of the Club's liabilities. The registered office is Sandell Street, Waterloo, London, SE1 8UJ.

2 ACCOUNTING POLICIES

Accounting Convention

The Financial Statements are prepared under the historical cost convention, modified by the inclusion of fixed asset investments at market value (note 10), and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiary are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its Financial Statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 [under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410)], and the Charities Act 2011.

The Financial Statements consolidate The Union Jack Club and its subsidiary, The Union Jack Club (Trading) Limited. A separate Statement of Financial Activities and Income and Expenditure Account are not presented for the Charity itself as the Charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The Financial Statements are prepared in sterling, which is the financial currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the Financial Statements are set out below.

Going Concern

The Financial Statements have been prepared on a going concern basis which assumes the charity and trading company will continue in operational existence for the foreseeable future. The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity and trading company to continue as a going concern. The Trustees have reviewed the forecasts and projections prepared by management for a period of at least twelve months from the date of approval of these financial statements. These show that the Club is projected to make a surplus for the year ending 31st December 2024. These forecasts have been prepared on a prudent basis, and the Trustees believe the assumptions and estimates used in their preparation are reasonable.

Following a review of the financial situation, the Trustees are confident that given its strong asset base, including its unrestricted investment portfolio, the charity and trading company has sufficient reserves to cover liabilities as they fall due and therefore the financial statements are accordingly prepared on a going concern basis.

THE UNION JACK CLUB
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

2 ACCOUNTING POLICIES (Continued)

Tangible Fixed Assets

Tangible fixed assets with a cost of £5,000 or more are capitalised. Depreciation of tangible fixed assets is provided, on a straight line basis, at amounts estimated to write off the cost over their expected useful life as follows:

Freehold buildings	10 - 50 years
Major plant items	20 & 25 years (where appropriate)
Furniture, fittings and sundry equipment	5 & 10 years (where appropriate)
Computer equipment	3 & 5 years (where appropriate)

The Club's collection of paintings and clocks is carried at valuation and is not depreciated on the grounds that any depreciation charge would be immaterial. Certain fixed assets in Furniture & Fittings are now recognised as having 5 years of useful life.

Provision for Residential Services (Income and Expenditure)

This represents the amounts derived from the provision of services, which fall within the Club's ordinary activities, all of which are continuing.

Donations, Legacies and Gifts

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Donations, legacies and gifts are included in incoming resources when receivable. When donors specify that donations, legacies or gifts are for particular purposes, they are treated as restricted income.

Subscriptions

Subscriptions income derives from subscription fees of members. The subscription period runs in conjunction with the financial year.

Trading Income

Trading income consists of income generated by the subsidiary from the provision of accommodation and catering to non members.

Investments

Interest receivable and income from investments are included on the basis of the amount earned during the year. Investments are classified as fixed assets in accordance with the Charities SORP. Both realised and unrealised gains and losses are recognised in the Statement of Financial Activities.

Financial assets/liabilities measured at amortised cost

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

Operating Leases

Rentals under operating leases have been charged to the Statement of Financial Activities on a straight line basis.

Resources Expended

Resources expended are included in the Statement of Financial Activities on an accruals basis. Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of occupancy rates between the Charity and its subsidiary, and the proportion of time spent by staff on those activities.

THE UNION JACK CLUB
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

Pension Contributions

The Union Jack Club pays defined contributions towards stakeholder pension schemes for qualifying employees. The annual cost is expensed in the Statement of Financial Activities.

Provision is made in the Financial Statements for the Council's estimated liability in respect of existing discretionary pensions directly paid by the Club within the Statement of Financial Activities, Balance Sheet and Cash Flow Statement in accordance with FRS 102 SORP module 'Retirement and post-employment benefits'.

The Union Jack Club contributes to money purchase schemes for certain senior employees; contributions are assessed on entry as a level monetary amount payable over the employee's expected career with the Club.

The Union Jack Club also provides the contributory Group Personal Pension Plan for all qualifying employees. The Plan is set up in line with the workplace pension scheme set up by the government under NEST (National Employment Savings Trust).

Stocks

Stocks are stated at the lower of cost and net realisable value.

Fund Accounting

Funds held by the Charity are either:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the Council.

Restricted funds - these are funds that can only be used for particular purposes specified by the donor or when funds are raised for particular purposes within the objects of the Charity.

Unrestricted designated funds - these funds represent funds which have been separately designated by the Trustees of the Charity, as part of unrestricted funds.

Critical accounting estimates and areas of judgement

In preparing Financial Statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the Financial Statements.

In the view of the Trustees in applying the accounting policies adopted, apart from the estimate listed below, no judgements were required that have a significant effect on the amounts recognised in the Financial Statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year. Judgements included in these accounts: the pension estimate in Note 15a.

3 DONATIONS, GIFTS AND LEGACIES

a)	Unrestricted £	Restricted £	2023 £
Individual Donations	25,267	-	25,267
Legacy	1,327,505	-	1,327,505
Gift Aid Reclaim On Subs & Donations	80,267	-	80,267
Service non-public funds	-	-	-
	1,433,039	-	1,433,039

b)	Unrestricted £	Restricted £	2022 £
Individual Donations	20,298	-	20,298
Legacy	498,308	-	498,308
Gift Aid Reclaim On Subs & Donations	99,777	-	99,777
Service non-public funds	131,000	-	131,000
	749,384	-	749,384

THE UNION JACK CLUB
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

4 NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY (all unrestricted for current and prior year)

The Union Jack Club has one wholly owned subsidiary, The Union Jack Club (Trading) Limited, which operates the trading activity of the Club and gifts its taxable profit to the Club. A summary of the results of the subsidiary is shown below:

	2023	2022
	£	£
Turnover	1,795,054	1,510,572
Cost of sales	<u>(999,911)</u>	<u>(845,329)</u>
Gross profit	795,143	665,242
Administration expenses	<u>(7,175)</u>	<u>(7,288)</u>
Operating profit	787,968	657,954
Other income	7,593	8,073
Profit on Ordinary Activities before taxation	<u>795,561</u>	<u>666,027</u>
Tax on Profit on Ordinary Activities	-	-
Retained earnings brought forward	666,027	318,982
Gift Aid Distribution to The Union Jack Club	<u>(666,027)</u>	<u>(318,982)</u>
Retained earnings carried forward	<u><u>795,561</u></u>	<u><u>666,027</u></u>

The Union Jack Club's trading activities include an amount of £983,514 (2022 £824,913) for rent and other services charged by the Club to its subsidiary which is eliminated on consolidation. The group's trading activities consist of the turnover of the subsidiary as shown above. Expenditure of £1,007,086 (2022 £852,617) is also included which comprises cost of sales and administration expenses.

5 INVESTMENT INCOME (all unrestricted for current and prior year)

	2023	2022
	£	£
Shares UK listed	98,221	55,116
Property Portfolio UK listed	34,783	30,082
Shares Overseas listed	<u>34,796</u>	<u>30,220</u>
	167,800	115,418
UK bank deposit interest	<u>65,449</u>	<u>2,731</u>
Total for the Group	<u><u>233,249</u></u>	<u><u>118,149</u></u>

THE UNION JACK CLUB
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

6 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES (all unrestricted for current and prior year)

	2023 £	2022 £
Subscriptions	694,790	645,142
Provision of residential services:		
Accommodation	5,636,138	4,867,234
Catering and bar sales	2,665,378	2,335,987
	8,996,306	7,848,363

7 INSURANCE CLAIM

	2023 £	2022 £
Other Income - Insurance Claim	12,643	3,263
	12,643	3,263

8 EXPENDITURE

		Staff Costs £	Other £	Depreciation £	Total £
a) EXPENDITURE ON RAISING FUNDS	2023				
Trading activities		-	1,007,086	-	1,007,086
Fundraising and publicity		-	52,187	-	52,187
Investment management fees		-	41,116	-	41,116
Finance costs		-	142,658	-	142,658
Finance cost of pension liability		-	8,100	-	8,100
		-	1,251,147	-	1,251,147
EXPENDITURE ON CHARITABLE ACTIVITIES					
Provision of membership and residential services		5,527,921	2,852,358	773,077	9,153,356
Total Operating Expenditure		5,527,921	4,103,505	773,077	10,404,503

Including auditor remuneration of £14,051 (2022 £12,545)

		Staff Costs £	Other £	Depreciation £	Total 2022 £
b) EXPENDITURE ON RAISING FUNDS	2022				
Trading activities		-	852,617	-	852,617
Fundraising and publicity		-	39,417	-	39,417
Investment management fees		-	38,545	-	38,545
Finance costs		-	137,770	-	137,770
Finance cost of pension liability		-	3,600	-	3,600
		-	1,071,949	-	1,071,949
EXPENDITURE ON CHARITABLE ACTIVITIES					
Provision of membership and residential services		4,854,899	2,102,310	764,372	7,721,581
Total Operating Expenditure		4,854,899	3,174,259	764,372	8,793,530

All of the above were unrestricted expenditure for the current and in the prior year.

THE UNION JACK CLUB
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

8 EXPENDITURE (Continued)

c) ANALYSIS OF SUPPORT COSTS

Provision of membership and residential services includes support costs as follows:

	2023	2022
	£	£
Administration staff costs	705,597	648,912
Legal and other professional	83,596	164,049
	<u>789,193</u>	<u>812,960</u>

Basis of allocation:

The above costs are fully allocated to the provision of membership and residential services.

d) STAFF COSTS

	2023	2022
	£	£
Wages and salaries	4,970,826	4,365,838
Pension contributions	151,029	102,434
Employer's National Insurance Contributions	406,066	386,627
	<u>5,527,921</u>	<u>4,854,899</u>

The number of employees receiving emoluments of £60,000 or more was as follows:

	2023	2022
	No.	No.
£60,001 - £70,000	3	4
£70,001 - £80,000	2	2
£80,001 - £90,000	1	1
£130,001 - £140,000	1	-
	<u>7</u>	<u>7</u>

The average monthly number of employees during the year was as follows:

	2023	2022
	No.	No.
Management and Administration	10	11
Union Jack Club staff	162	147
	<u>172</u>	<u>158</u>

Note: On average 130 of the 172 employees were Permanent Staff (2022 111 of the 158 employees were Permanent staff)

e) TRUSTEES AND KEY MANAGEMENT PERSONNEL

No Trustee received emoluments in the period (2022 - £NIL). Total travel expenses of 2023 £4,553 (2022 £3,291) were paid to 3 (2022 5) Trustees during the period.

Key management personnel included the Trustees, Chief Executive and senior staff reporting directly to the Chief Executive. The total emoluments of the Charity's key management personnel were £290,966 (2022 £287,769).

THE UNION JACK CLUB
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

9 TANGIBLE FIXED ASSETS	Charity		Total
	Freehold Land and Buildings	Furniture, Fittings and Equipment	
Group and Charity			
Cost	£	£	£
At 1 January 2023	6,855,921	5,460,464	12,316,385
Additions	-	682,162	682,162
Disposals	-	(90,162)	(90,162)
Removal of fully depreciated assets	-	(854,309)	(854,309)
At 31 December 2023	<u>6,855,921</u>	<u>5,198,155</u>	<u>12,054,076</u>
Depreciation			
At 1 January 2023	4,980,289	2,788,828	7,769,117
Charge for the year	190,440	582,637	773,077
Disposals	-	(70,759)	(70,759)
Removal of fully depreciated assets	-	(854,309)	(854,309)
At 31 December 2023	<u>5,170,729</u>	<u>2,446,396</u>	<u>7,617,126</u>
Net Book Value			
At 31 December 2023	<u>1,685,192</u>	<u>2,751,758</u>	<u>4,436,950</u>
At 31 December 2022	<u>1,875,632</u>	<u>2,671,636</u>	<u>4,547,268</u>

Fixed assets held by the Union Jack Club are as detailed above.

Freehold land and buildings comprise the Union Jack Club's premises at 91 Waterloo Road, Gascoigne Room and Sandell Street. The Union Jack Club's premises were built as part of a redevelopment, completed in 1975, for which the Union Jack Club provided the site but paid only a small part of the building costs. These premises were revalued in 1975 at £3.9m. It should be recognised that the value of the premises has substantially increased in value. The other costs represent additions since 1975. In accordance with the transitional arrangements of the original FRS 15, Tangible Fixed Assets, the valuation has not been updated.

THE UNION JACK CLUB
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

10 FIXED ASSET INVESTMENTS	2023	2022
	£	£
Group		
Investments at market value:		
At 1 January 2023	6,221,870	7,137,527
Additions	3,682,710	1,293,581
Disposals	(719,185)	(1,192,641)
Net realised gain / (loss) on disposal	(7,981)	(106,750)
Net unrealised investment gain / (loss)	495,819	(909,846)
	<u>9,673,233</u>	<u>6,221,870</u>
Cash held by investment manager	<u>44,065</u>	<u>179,398</u>
At 31 December 2023	<u>9,717,298</u>	<u>6,401,268</u>
Investments comprise:		
UK equities and funds	5,610,838	3,565,225
Overseas equities	4,062,395	2,656,645
Cash held	<u>44,065</u>	<u>179,398</u>
	<u>9,717,298</u>	<u>6,401,269</u>
Historical cost at 31 December 2023	<u>7,276,573</u>	<u>5,474,307</u>
Club		
As above	9,717,298	6,401,269
Investment in subsidiary undertaking	<u>2</u>	<u>2</u>
	<u>9,717,300</u>	<u>6,401,271</u>

11 STOCKS	Charity		Group	
	2023	2022	2023	2022
	£	£	£	£
Stocks - Cleaning/Fine Wines	30,526	17,526	30,526	17,526
Shop	-	-	18,467	21,737
Catering	23,384	12,639	23,384	12,639
Bar	38,783	34,374	38,783	34,374
	<u>92,693</u>	<u>64,539</u>	<u>111,160</u>	<u>86,276</u>

THE UNION JACK CLUB
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

12 DEBTORS	Charity		Group	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	33,322	26,586	103,938	87,652
Membership Debtors Account	911,844	-	911,844	-
Other debtors	4,860	1,579	4,860	1,579
Prepayments and accrued income	492,585	168,561	492,585	168,561
	<u>1,442,611</u>	<u>196,726</u>	<u>1,513,227</u>	<u>257,792</u>

13 CREDITORS: Amounts falling due within one year	Charity		Group	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	488,891	178,364	555,349	192,073
Amount owed to subsidiary	354,528	147,810	-	-
Other creditors	16,187	35,430	16,187	65,988
Other tax and social security creditors	667,039	430,100	671,555	470,332
Accruals	445,310	378,339	489,865	383,582
Deferred Income	1,525,360	578,018	1,525,360	578,018
	<u>3,497,315</u>	<u>1,748,061</u>	<u>3,258,315</u>	<u>1,689,992</u>

14 CREDITORS: Amounts falling due after more one year	Charity		Group	
	2023	2022	2023	2022
	£	£	£	£
Deferred income	22,592	15,244	22,592	15,244
	<u>22,592</u>	<u>15,244</u>	<u>22,592</u>	<u>15,244</u>

15 PENSION PROVISION

a) Discretionary Pensions

Discretionary pensions have been granted to certain former employees, which are paid by the Club directly. Therefore, a provision of £169,000 (2022 £168,800) has been made in these accounts for the future liability expected in respect of existing pensioners in line with the requirements of FRS102. No specific assets are held. The latest valuation of these liabilities was carried out as at 31 December 2023 by an independent qualified actuary.

Pension payments are charged against the provision which is re-assessed annually. Pension payments for the year were £21,500 (2022 £20,700). Interest on the provision and the liability arising on the granting of new pensions is charged to the income and expenditure account. Actuarial experience gains and losses are recognised under other comprehensive income. The key FRS102 assumptions used to value the liabilities are set out in the following table. The table also sets out the present value of the FRS102 liabilities. This present value is equal to the gross pension liability.

Assumptions	2023	2022	2021
Discount rate	4.4%	5.1%	1.7%
Pension increases	3.5%	3.5%	3.7%
Life expectancy for a 65 year old female pensioner	88.3	88.7	88.7
Life expectancy for a 65 year old male pensioner	85.7	86.1	86.1

THE UNION JACK CLUB
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

15 PENSION PROVISION (Continued)

The gross pension liability under FRS 102 moved as follows during the year to 31 December 2023

	2023	2022
	£	£
Gross pension liability at start of year	168,800	220,200
Pensions paid	(21,500)	(20,700)
Charge to finance income	8,100	3,600
Actuarial (gain) / loss recognised outside the income and expenditure account	13,600	(34,300)
	<u>169,000</u>	<u>168,800</u>
Gross pension liability at year end	<u>169,000</u>	<u>168,800</u>

The following amounts are included as (charges)/credits to finance income under FRS 102:

Interest on gross pension liability	8,100	3,600
Actuarial (gain) / loss recognised outside the income and expenditure account	13,600	(34,300)

Other Pension Arrangements

The Union Jack Club commenced paying defined contributions towards stakeholder pension schemes for certain existing employees from 1 June 2001. The annual cost is expensed in the statement of financial activities.

The Union Jack Club also contributes to money purchase schemes for senior management. Contributions are determined after consulting the Club's independent pension advisers.

The Union Jack Club provides the contributory pension scheme for all employees. At the end of 2023, there were 92 employees in the scheme. The Club contributed 5% and the employee 3% of the employee's salary. The remainder of employees decided to opt out of the scheme. The annual cost is expensed in the statement of financial activities.

THE UNION JACK CLUB
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

16 MOVEMENT ON RESERVES

	Designated Revaluation Reserve	Designated Fixed Asset Reserve	Designated Infrastructure Fund	Income and Expenditure Reserve	Total
	£	£	£	£	£
At 1 January 2023	981,162	4,313,268	1,496,308	5,180,159	11,970,897
Surplus / (Deficit) for the year	-	-	-	2,167,346	2,167,346
Net Gains and transfers	641,518	(32,319)	-	(134,961)	474,238
Utilisation of funds		-	1,320,395	(1,320,395)	-
At 31 December 2023	<u>1,622,680</u>	<u>4,280,949</u>	<u>2,816,703</u>	<u>5,892,149</u>	<u>14,612,481</u>

Included in the income and expenditure reserve is a pension liability of £169,000 (2022 £168,800)

Net gains and transfers represent the actuarial gain / (loss) on pension liabilities, realised and unrealised gains / (losses) on investments and any transfers to / from designated funds. It also includes a transfer between the revaluation reserve and the income and expenditure reserve of £78,000 which is the difference between the depreciation on the historic cost (£Nil) and the revalued amount (£3.9 million), of freehold buildings completed in 1975. The depreciation rate is 2% straight line.

In 2014 Trustees made the decision to formally recognise the monies tied up in the tangible fixed assets of the charity as a designated fund, to make it clear to the reader of the accounts that this money is not freely expendable on the Charity's activities. A transfer was made from unrestricted general funds to reflect this.

The Tangible Fixed Assets designated fund is utilised over the lifetime of the assets.

In 2018, the Trustees made the decision to cover any forthcoming major repairs externally or internally to the building by creating a major repair fund. In 2019, the Trustees decided to retitle the fund as Infrastructure Fund which was utilised during the year to develop the Gascoigne Room. The Trustees have decided to continue with the Designated Infrastructure Fund which was established in the 2019 accounts. During 2023, £1,320,395 was added to the fund. In 2022, a legacy of £496,308 was added.

THE UNION JACK CLUB
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

17 ANALYSIS OF NET ASSETS BY FUND

a)	2023	Designated Revaluation Reserve	Designated Fixed Asset Reserve	Designated Infrastructure Fund	Income and Expenditure Reserve	2023 Total
		£	£	£	£	£
	Tangible fixed assets	156,000	4,280,949	-	-	4,436,949
	Investments	1,466,680	-	2,816,703	5,433,915	9,717,298
	Net assets	-	-	-	649,826	649,826
	Creditors > One Year	-	-	-	(191,592)	(191,592)
		<u>1,622,680</u>	<u>4,280,949</u>	<u>2,816,703</u>	<u>5,892,149</u>	<u>14,612,481</u>
b)	2022	Designated Revaluation Reserve	Designated Fixed Asset Reserve	Designated Infrastructure Fund	Income and Expenditure Reserve	2022 Total
		£	£	£	£	£
	Tangible fixed assets	234,000	4,313,268	-	-	4,547,268
	Investments	747,162	-	1,496,308	4,654,107	6,897,577
	Net assets	-	-	-	710,096	710,096
	Creditors > One Year	-	-	-	(184,044)	(184,044)
		<u>981,162</u>	<u>4,313,268</u>	<u>1,496,308</u>	<u>5,180,159</u>	<u>11,970,897</u>

18 COMMITMENTS

Capital commitments contracted for at the balance sheet date but not provided for in these financial statements were valued at £54,523 (2022 - Nil).

19 OPERATING LEASE COMMITMENTS

The Charity had annual operating lease commitments as follows:

	2023	2022
Within 1 year	-	-
Between 1 and 5 years	-	-

20 RELATED PARTY TRANSACTIONS

Accommodation sales between Charity and Trading company during the year were £332,328 (2022 £278,159). Room Hire sales between Charity and Trading company during the year were £308,562 (2022 £249,038). Food sales between Charity and Trading company during the year were £268,639 (2022 £217,789). Liquor sales between Charity and Trading company during the year were £73,986 (2022 £79,926). Gift Aid to be paid to the Charity for 2023, paid in 2024 is £795,561 (Gift Aid for 2022, paid during 2023 was £666,027). The intercompany balance for 2023 between the Charity and the Trading company is £354,528 (2022 £147,814)