

COMBINED CADET FORCE ASSOCIATION

England & Wales · Charity number 1170994

Details

Other names	CCFA, Cadets in Schools
Status	Registered
Legal form	Charitable company
Company number	10445616
Registered	2017-01-05
Register	View on the Charity Commission register

Contact

Address	Combined Cadet Force Association Holderness House 51-61 Clifton Street London EC2A 4DW
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Website	combinedcadetforce.org.uk/ccfa

Activities

Objects: THE CHARITY'S OBJECTS (THE OBJECTS) ARE FOR THE PUBLIC BENEFIT:(1) TO DEVELOP THE PHYSICAL, MENTAL, SPIRITUAL, MORAL AND CULTURAL CAPACITY OF YOUNG PERSONS, AND AN UNDERSTANDING OF PERSONAL VALUES, THROUGH EDUCATION IN THE CONTEXT OF ADVENTUROUS AND MILITARY STYLE TRAINING, SO THAT THEY MAY GROW TO FULL MATURITY AS INDIVIDUALS AND MEMBERS SOCIETY;(2) TO CULTIVATE CONFIDENCE, TEAMWORK, JUDGEMENT AND POWERS OF COMMUNICATION SO THAT THEIR CONDITIONS OF LIFE MAY BE IMPROVED;(3) TO PROMOTE THE EFFICIENCY OF THE COMBINED CADET FORCE THROUGH FOSTERING CADET ACTIVITY AND ADVANCING THE YOUTH LEADERSHIP ABILITIES OF CADET FORCE ADULT VOLUNTEERS.

Activities: To: act as an adviser to the MoD and HMG on CCF matters; act as a source of information and advice for Contingent Commanders and CCF Officers; promote the CCF; provide financial grants to CCF cadets to assist their development; and, provide financial grants to CCF Contingents in order to help them establish or become more sustainable.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Human Resources, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty, Amateur Sport, Economic/community Development/employment, Human Rights/religious Or Racial Harmony/equality Or Diversity, Other Charitable Purposes
- **Who:** Children/young People, Other Defined Groups, The General Public/mankind

Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,547,349	£2,094,502	£3,188,632	82
2024-03-31	£1,689,483	£1,780,730	£3,605,092	73
2023-03-31	£1,355,239	£2,274,708	£3,559,400	72
2022-03-31	£2,155,526	£533,355	£4,514,323	53
2021-03-31	£232,795	£1,657,666	-	-

Trustees

Name	Role	Appointed
Nigel David Alan Maddox CBE	Chair	2016-12-12
Alexander Edward Hudson		2019-12-07
Caroline Jane Hutton-Stott		2023-01-24
Christopher Roberts		2025-01-21
Edward Hayton		2025-12-10
Ian Cohen		2025-01-21
James Newton		2025-12-10
Marc Pether		2025-12-10
Michael Hampshire		2016-10-04
Simon Blackmore		2025-01-21
Simon John McMenemy VR		2017-12-11
Stephen Robinson		2025-01-21
Susan Elizabeth Bonell OBE		2022-09-08

COMBINED CADET FORCE ASSOCIATION

England & Wales - Charity number 1170994

Accounts

Company number: 10445616
Charity Number: 1170994
Scottish Charity Number: SC048021



Combined Cadet Force Association

The Charity Supporting Cadets in Schools

Report and financial statements
For the year ended 31 March 2025

Combined Cadet Force Association

Contents

For the year ended 31 March 2025

Reference and administrative information	1
Trustees' annual report	3
Independent auditor's report	16
Statement of financial activities (incorporating an income and expenditure account)	21
Balance sheet	22
Statement of cash flows	23
Notes to the financial statements	24

Combined Cadet Force Association

Reference and administrative information

For the year ended 31 March 2025

Company number	10445616		
Country of incorporation	United Kingdom		
Charity number	1170994	SC048021	
Country of registration	England & Wales	Scotland	
Registered office and operational address	Holderness House 51–61 Clifton Street London EC2A 4DW		
President	Vice Admiral PD Hudson CB CBE		
Trustees	Trustees, who are also directors under company law, who served during the period and up to the date of this report were as follows:		
	E	Nigel Maddox CBE	Chair
	A C D E	Michael Hampshire	Vice Chair
	A B D	Julia Hodgson	Treasurer
		Scott Benest	(resigned 21 Jan 2025)
	C	Simon Blackmore	(elected 21 Jan 2025)
	C	Jonathan Bleakley	
	A B C E	Susan Bonell OBE	
	A	Ian Cohen	(elected 21 Jan 2025)
		Simon Davies	(resigned 21 Jan 2025)
	C	Michael Hamid	
	E	Alexander Hudson	
	C	Caroline Hutton–Stott	
	A B D	Simon McMenemy	
	E	Christopher Roberts	(elected 21 Jan 2025)
	C	Stephen Robinson	(elected 21 Jan 2025)
	C	Miles Ripley	(resigned 21 Jan 2025)
	C	Christopher Thompson	(resigned 3 Mar 2025)
Co-opted member	D	Catherine Harrison	

A denotes membership of the Finance and Compliance Committee

B denotes membership of the Joint Audit and Investments Committee

C denotes membership of the Grants Committee

D denotes membership of the Joint HR and Remuneration Committee

E denotes membership of the Nominations and Governance Committee

Combined Cadet Force Association

Reference and administrative information

For the year ended 31 March 2025

Key management personnel	Murdo Urquhart OBE Richard Walton Faye Meakin	Chief Executive Deputy Chief Executive Director of Development
Bankers	Lloyds Bank plc Butler Place London SW1H 0PR	
Investment managers	Waverton Investment Management 16 Babmaes Street London SW1Y 6AH	
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor 110 Golden Lane London EC1Y 0TG	

Combined Cadet Force Association

Trustees' annual report

For the year ended 31 March 2025

The trustees present their report and the audited financial statements for the year ended 31 March 2025.

Reference and administrative information set out on page 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The Combined Cadet Force Association (CCFA) has three charitable objects:

- To develop the physical, mental, spiritual, moral and cultural capacity of young persons, and an understanding of personal values, through education in the context of adventurous and military style training, so that they may grow to full maturity as individuals and members of society;
- To cultivate confidence, teamwork, judgement and powers of communication so that their conditions of life may be improved;
- To promote the efficiency of the Combined Cadet Force through fostering cadet activity and advancing the youth leadership abilities of Cadet Force Adult Volunteers.

The principal way the charity delivers on its objects, particularly the first and second objects, is through charitable grant giving. These grants enable beneficiaries to access activities that will educate, develop and broaden the interests of the 55,000+ young people who are cadets in the Combined Cadet Force (CCF). These young people are involved in one of 464 school-based CCF Contingents in the UK. CCFA looks to enhance young people's development by the making of grants to support both the contingents and individual cadets, enabling them to take part in a wide range of activities. Other grants can help a contingent to improve its resilience or to be able to work with more young people, ensuring young people can access development opportunities for many years to come.

Aside from grant giving, CCFA delivers on its objects by supporting the CCF as a whole. It provides membership support services in the interests of the entire CCF, such as the provision of insurance cover against accidents, travel difficulties and to provide legal advice and assistance for volunteers. It contributes to the delivery of training and development courses for CCF adult volunteers. It seeks national non-state recognition for CCF cadets and adult volunteers who have used their CCF training to save lives or display remarkable citizenship.

CCFA is funded, through a grant from the Army, to directly support CCF Contingents. This support is delivered through the charity's team of Contingent Support Officers across the UK, enabling

Contingents to become more sustainable and to be ready to take on more young people. Embedded in the ten regional Cadet Training Teams, our Contingent Support Officers work hand in glove with the training sergeants to provide coherent support to the CCF Contingents.

CCFA is recognised by the Ministry of Defence (MOD), single service cadet force headquarters and the Department for Education (in England) as a key supporting partner. Thus, although the charity has no executive role in the running of the CCF, which is the responsibility of the MOD and single services in partnership with schools, it is part of the national framework steering the CCF and its activities. The Chair and Senior Leadership Team attend high level MOD steering group meetings. Through these connections and relationships, and through participation in formal meetings and through informal dialogue, the charity provides another forum for the MOD, single services and schools to exchange views, plus the Charity is able to represent the grass roots views of CCF contingents to the chain of command.

Achievements and performance

This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help.

The enduring priority for the charity's trustees is to ensure that young people are able to develop through membership of the CCF. This means a focus on some key areas:

- Supporting struggling CCF contingents in order to prevent them from closing.
- Removing barriers, such as cost, to individual cadet participation in CCF activities.
- Advocating for the CCF to key influencers in order that the benefits of CCF activities to young people's development are widely understood and well supported.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

The charity's main activities and who it tries to help are described below. All its charitable activities focus on the cadets, volunteers and contingents of the CCF and are undertaken to further the CCFA's charitable purposes for the public benefit.

Grant Programmes

The charity furthers its objects through the awarding of grants to individual cadets, or to CCF contingents. It runs two main grant programmes: the Small Grants Programme and the Contingent Growth Fund. The Cadet Bursary Fund is no longer making new grants but continues to make grant payments agreed in the past. Incidental grant applications, such as for equipment, are considered on merit, alignment with the objects, impact and affordability as funds are available. The charity makes grants on the following basis:

- Small Grants Programme. The Grants Committee considers grants on a rolling basis. Individual grants up to a normal maximum of £350 are awarded to support a cadet to take part in a CCF activity they would otherwise be unable to afford. Application criteria place great importance on the personal circumstances of the participant, demonstrating a need for charitable support. Group Activity Grants are a subset of small grants that allow a CCF Contingent to reduce the cost of a contingent activity for all participating cadets. Grants, up to a normal maximum of £750, are awarded to CCF Contingents in support of activities that would be too expensive to encourage wide participation. Financial pressures led the trustees to make the decision to pause Group Activity Grants in 2023–2024, with the programme resuming in 2024–2025. Applications for both of the above grant types are made on forms which are circulated to all CCF Contingents and are available online via the CCF website. The applications are considered by a committee of CCFA trustees, with all grants awarded with a requirement to report on the use of the grant within an agreed period of time.
- Contingent Growth Fund. With the conclusion of the second phase of the Cadet Expansion Programme (CEP) and the stated ambition of the Government to increase the number of young people involved in each CCF Contingent, the trustees established the Contingent Growth Fund to support CEP Phase Three. Applications are invited at regular intervals throughout the year. This fund seeks to fund initiatives aimed at increasing the number of young people participating in a particular CCF Contingent by improving the recruitment and retention of young people. This has been a hugely successful grants programme and the final grants were awarded in December 2025 after which it closed for applications due to insufficient funds remaining. The remaining funds are earmarked for staff support to contingents over the coming two years.

The performance of the charity's grant programmes in the year was:

- Small Grants Programme. Since 2013 CCFA has committed to make up to £25,000 worth of small grants per annum. This year the total grants made were £22,058 (2024 – £22,976) in support of cadets.
- Contingent Growth Grants. The programme opened to applications in February 2022 and this year made grants totalling £672,584 (2024 – £783,739).
- Marketing Grants. This year we made grants to support contingent recruitment totalling £39,776 (2024 – £NIL).

Beneficiaries of our services

A major way in which the charity delivers benefit to its beneficiaries is through the provision of grants. As explained earlier in the report grants are made either to support the contingent and its ability to deliver the cadet programme, or to individual cadets to enable them to access the full range of opportunities in their contingent.

In order to measure the difference that these grants have made the trustees ask for reports from grant recipients. These detail the impact of the grant and are used to help the trustees to decide

Combined Cadet Force Association

Trustees' annual report

For the year ended 31 March 2025

both what funding to bid for and how best to structure the charity's grant programmes in the future.

Some examples of the impact on the beneficiaries detailed in the last section of this report include:

A grant from the Small Grant programme gave a young cadet from Hele's School an opportunity to complete a Dinghy Level 2 sailing course and attend the Royal Navy Summer Camp in Dartmouth. As a Pupil Premium student receiving free school meals their family were facing financial challenges that meant they were considering leaving the CCF. The grant has allowed them to continue with CCF and participate in a number of activities their family would otherwise not have been able to afford.

The young cadet said, *"The funding has allowed me to attend many more activities than I expected to be able to and this has helped increase my confidence and teamwork skills. I have made great friends in the CCF with others in different year groups and classes. It has been a great experience, and I enjoy my time away doing activities that not everyone gets to do."*

Kettering Buccleuch Academy were awarded a grant to support 39 cadets to attend a four-day tour of Ypres Salient and Somme battlefields. Their Contingent Commander, Major Jon Teare told CCFA, "without your financial support access to this cultural and historical activity would have been impossible for some of our cadets. The trip exposed students to different countries in Europe. Developed their resilience and teamwork in a different setting to their normal cadet activities and supported their academic studies in History and English Literature. All the participants really benefitted from the time reflecting on the sacrifice of their forebears and the importance of defending British values.

The individual cadets, who receive Free School Meals or other forms of support, were able to attend a trip which has benefitted them socially and as part of their personal development."

Contingent Growth Fund

Thanks to the Contingent Growth Fund The Phoenix Collegiate were able to purchase mountain bikes and associated equipment so that their adult volunteers, as qualified instructors, were able to deliver mountain bike training to cadets. Providing a sustainable activity for their CCF without the need for expensive packages from external providers. They have used the equipment to take cadets on mountain bike excursions at little to no cost, and also introduced grass route sessions for those cadets who did not know how to ride a bike as their families were unable to afford one. The grant has been successful in opening up access to adventurous training as part of the cadet experience and has raised interest in mountain biking within the school community. Benefits have also been seen as cadets have been more keen to ride to school, using their skills to feel more confident in the surrounding areas. The bikes have also been used to deliver grass route experiences with all years as part of the school's CCF recruitment strategy, with cadet number growing from 115 to 152 over the grant period. One cadet told us, "I really struggled to ride a bike, I hadn't done it since I was really young. But since our cadet unit getting some bikes and

being able to practice, has allowed me to ride with great skill! It's brilliant to do, and I've really enjoyed seeing other cadets do the same."

With a grant from the Contingent Growth Fund, City of Derby Academy CCF were able to improve the efficiency of their CCF through the installation of a storage container within school grounds to store cadet clothing and resources securely. The new store allowed all equipment to now be stored in one location, instead of several smaller locations across the school.

The grant was also to be used to improve the experience for cadets by creating a compound around the container, for exclusive use for CCF training such as shelter building and cooking in the field. This compound allowed staff to maximise their time as stands and lessons could be set up and left securely on parade nights and field days. Before the grant staff were required to supervise equipment or pack it away between stands.

By improving efficiency more time is now spent on training and less time moving equipment from around school and setting up activities. In the previous school year, their cadets gained 176 qualifications/syllabus subject passes. In the first term after the container was installed and compound erected, cadets achieved an impressive 132 qualifications/syllabus subject passes, maximizing the benefits of the CCF for these young people.

Financial review

The statement of financial activities for the period is set out on page 21 of the financial statements. A summary of the financial results and the work by the charity is set out below.

Income for the year ended 31 March 2025 included donations and legacies of £1,362,450 (2024 – £1,566,373), income for supporting cadets and volunteers of £132,628 (2024 – £56,159) and investment income and interest of £25,307 (2024 – £59,992). Total gross income amounted to £1,547,349 (2024 – £1,689,483).

Expenditure for the period comprised costs of raising funds of £7,501 (2024– £3,902), costs of activities in support of contingents of £2,064,943 (2024 – £1,753,852) which reflects an increase in the direct support provided to CCF Contingents in this period and costs of supporting cadets and volunteers of £22,058 (2024 – £22,976). Total expenditure amounted to £2,094,502 (2024 – £1,780,730).

Net expenditure for the year after investment movements amounted to £416,460 (2024 – net income of £45,692).

The trustees expect the charity to exist in perpetuity and its investment policy is designed to support the long-term financial health of the charity. The charity adopted the current investment policy in September 2023; its stated objectives are to:

- Protect the value of CCFA's investment portfolio within an acceptable level of risk.

- Generate a return of CPI plus 3% per annum over the medium term¹, after expenses.

The charity has adopted a total return approach to investment, generating the investment return from income and capital gains or losses. It is expected that if in any one year the total return is insufficient to meet the growth target, in the long term the real value of the investments will still grow in accordance with the investment objectives above.

The charity has decided not to invest in assets that the trustees consider to be contrary to the spirit of its objects. In particular tobacco, alcohol and pornography are to be excluded from our investments. The trustees have agreed a process with our investment managers as to how these restrictions are to be applied.

During the year net gains on the fair value of long-term investments amounted to £130,693 (2024 – net gains of £136,939). The six-year average return on the long-term investment portfolio was 7.64%. The trustees measure this against a benchmark of the six-year average of CPI + 3% to the end of Mar 2025, which has been calculated as 6.95%. The trustees note that the portfolio has performed better than this benchmark and are therefore satisfied with the investment performance in the year.

In order to support the efficient delivery of our grant programmes and to efficiently manage cash flow, the trustees have directed that funds earmarked for grant making are to be held in a three-day access short-term investment portfolio. At the end of March 2025, the funds held in short-term investments were £2,297,882 (2024: £2,552,560) and the funds held in the long-term investment portfolio were £1,070,831 (2024: £789,654).

Reserves policy and going concern

The CCFA adopted the current Reserves Policy in December 2019. The purpose of the policy is to ensure the ongoing operations of the charity are protected in the event of a sudden decline in the financial health of the charity. The reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The reserve may also be used for one-time, non-recurring expenses that will build long-term capacity, such as staff development or investment in infrastructure.

The reserve is defined as unrestricted funding that has not been designated for a specific purpose. The reserve will be an amount sufficient to maintain ongoing operations and programmes for three to six months. The reserve will be reviewed and adjusted in response to internal and external changes.

¹ Defined as a six-year average

The target reserve fund is equal to between 3 and 6 months of operating costs and is calculated at the start of the year based on the budget. This year the reserves target was calculated as between £518,437 and £1,036,874 (2024 – £456,464 to £912,928) which reflected the planned budgeted expenditure for the year.

From time to time the trustees might choose to designate funds for long term investment to realise an income that can be used to further the charity's objects. These funds will not be counted as part of the charity's free reserves. At present the charity has set aside a "Grant Generation Fund" to support grant giving in future years. This fund, currently valued at £1,070,831, is held in the investment portfolio.

Actual free reserves in 2025 were £868,508 (2024: £1,201,621).

This means that free reserves are within the target set by trustees (in 2024 reserves were £288,693, or 32% greater than the target maximum level). The trustees are therefore comfortable that free reserves are at an appropriate level and the funds set aside to generate income for future grant programmes are appropriately designated.

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts and decided that CCFA is a going concern. The trustees have made this assessment in respect of a one-year period from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Principal risks and uncertainties

The trustees examine the major risks that the charity faces each financial year during routine board and committee meetings, and in meetings between the senior trustees and the Chief Executive. The charity has systems in place to monitor and control these risks to mitigate any impact that they may have on the charity's activities in the future.

The key risks for the charity, as identified by the trustees, are described below together with the principal way in which they are mitigated:

- Risk of failing to deliver fully on the charitable objects because CCFA's beneficiaries (principally CCF contingents) are not aware of the charity that exists to support them. The lack of awareness is an enduring risk because communicating with the beneficiaries is not straightforward, for reasons outside CCFA's control, therefore the charity seeks to use a variety of effective communications channels to spread the word about the support that the charity can provide.
- Risk of failing to sustain major grant programmes. The charity is keen to support the Government's ambition to increase the number of cadets in schools and is conscious that

many new CCF contingents formed under the Cadet Expansion Programme need financial support to become established, whilst some legacy CCF contingents are struggling to survive. In this financial year the charity's Contingent Growth Fund has met that need, but the funds available were spent by the end of the year and the fund has been closed. The charity therefore continues to seek funds to create a replacement charitable programme that will support the continued development of CCF Contingents.

- Governance Risk. The success of the CCFA's programme of work depends on good governance. In particular having a Board which can understand the diversity of the beneficiary body (CCF contingents in state and independent schools, with a myriad of different service sections: Royal Navy, Royal Marines, Army and RAF). The trustees seek to ensure good governance by: having appropriate recruitment and appointment processes; regular reviews of the board's structure, competence and diversity overseen by the Nominations & Governance Committee; and holding appropriate insurance to protect trustees.

Fundraising

The charity's approach to fundraising activity is to seek grants from organisations in order to achieve a particular aim, for example to support the growth of cadet numbers in existing CCF contingents. Where an individual or group with an interest in the cadet movement would like to support cadets, we invite them to donate to the CCFA and also support those undertaking fundraising challenges to raise funds for CCFA. We also offer the facility for individuals to make one off or repeat donations online and offer membership of the CCFA to repeat individual donors or CCF Contingents.

At present the charity is not a member of the Fundraising Regulator because it does not engage in the kind of fundraising activity that would make this a requirement. This position was reviewed this year with no change, and will be reviewed annually.

We do not contact our members or supporters to solicit donations, although this is something we might consider doing should we have a specific fundraising objective in the future. We have received no complaints about fundraising.

Plans for the future

The charity is still on a journey of considered evolution. For the coming year, recognising the principal risks described above, the theme is communication and fundraising, the two being connected, as the latter cannot happen without the former.

In respect of communication, the trustees want to (1) reach all corners of the CCF to let the beneficiaries know that CCFA is their charity, (2) continue to publicly advocate the benefits of service in the CCF and, (3) as importantly, make potential donors aware that CCFA is a charity well worth supporting, because that in turn will support CCFA fundraising. Currently, however, the Charity has no dedicated staff with the capacity to do market CCFA marketing or fundraising. This

may surprise readers, but the Charity's history must be understood because, when first set up, it did not need these functions. The trustees will therefore carry out an assessment to see if these two essential enabling functions can be established without financial harm to the charity.

Separately, the trustees remain concerned about the viability of many of the CCF contingents (the charity's beneficiaries). This affects both new and legacy contingents. The Charity has no executive role in the running the CCF and many of the reasons why some contingents struggle are outside CCFA's control. Nevertheless, the Charity will work closely with the MOD and single services to develop ways to support these contingents.

The Charity remains enormously grateful to Mr Gareth Neame OBE for his enduring close interest and generous annual donation which underpins the CCFA Small Grants Programme.

Structure, governance and management

The CCFA is a registered charity and a company limited by guarantee, not having a share capital. The entity was incorporated on 25 October 2016 and registered as a charity with the Charity Commission for England and Wales on 5 January 2017 and the Office of the Scottish Charity Regulator on 22 December 2017. It is governed by its memorandum and articles of association which were updated in 2022 and adopted on 24 January 2023. This arrangement replaced an earlier construct of the CCFA which was constituted by a trust deed and registered with the Charity Commission in 1963 under charity number 305988. The assets of this earlier version of the CCFA were transferred to the new construct which was duly re-registered with the Charity Commission under charity number 1170994.

The CCFA has approached the Charity Commission for Northern Ireland and attempted to register with them as the charity operates in Northern Ireland. The commission has responded to say that they are in the process of registering charities that are not regulated by another UK charity regulator first and will contact the CCFA when they are ready to process our application.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

The part time Chief Executive of the charity is Murdo Urquhart OBE, who heads a small team of staff comprising Richard Walton, the part time Deputy Chief Executive, Faye Meakin, the part time Director of Development, and an additional 27 full- and part-time members of staff.

The annual budget is agreed by the Finance and Compliance Committee. The senior trustees (Chair, Vice Chair, and Treasurer) are consulted by the Chief Executive on a regular basis and on all matters that are considered by him to be strategic, novel or contentious. These consultations are largely conducted by video conference, telephone and e-mail or at informal "management board" meetings in head office.

The CCFA Board of Trustees meets three times a year. Amongst other papers the Board receives:

Combined Cadet Force Association

Trustees' annual report

For the year ended 31 March 2025

- A report from the Finance and Compliance Committee of the CCFA; including the audited financial statements of the charity. The audited financial statements are agreed and signed off at this meeting.
- An updated register of the diverse risks being managed by the charity.

The Board has the following sub committees:

- The **Finance and Compliance Committee**, chaired by the Treasurer, carries out the overall financial management of the charity (including agreeing the annual budget, the raising, investment and direction of funds, and the oversight of financial processes) and the regular review of the charity's financial governance arrangements. It meets four times per year after the end of each financial quarter and reports at both board meetings.
- The **Audit and Investments Committee** is a joint sub-committee of the CCFA and its sister charity, the Army Cadet Charitable Trust UK (ACCT UK). Co-chaired by the Treasurers of CCFA and ACCT UK, it is responsible for technical advice and guidance relating to the annual audit and the management of funds the charities have chosen to invest through the current investment manager. The Committee consists of three ACCT UK trustees and three members from the CCFA Board of Trustees. It reports back to both Boards of Trustees.
- The **Grants Committee**, chaired by the Vice Chair, sets the overall policy for grants and makes decisions about which applications to fund. It considers applications on a rolling basis throughout the year.
- The **HR and Remuneration Committee** is a joint sub-committee of the CCFA and ACCT UK. Chaired by a trustee from either CCFA or ACCT UK, it is responsible for technical advice and guidance relating to all values-based systems and policies to ensure that both charities are following legislation and considering best practice in relation to their employees, independent contractors and volunteers. The Committee consists of the three ACCT UK trustees, two members from the CCFA Board of Trustees and a co-opted HR specialist. It meets twice per year: in summer to consider policy and structure; and in winter to set the pay and conditions for employees from the following April. It reports back to both Boards of Trustees.
- The **Nominations and Governance Committee**, chaired by the Chair of trustees, is responsible for monitoring the overall governance of the charity and for trustee succession planning. The latter includes recruitment of new trustees, their development and mentoring, with a conscious focus on diversity; ensuring the board has all the skills needed to govern effectively. It meets at least twice annually.

Appointment of trustees

Trustees are appointed for a period of three years and encouraged to serve for no more than three terms to ensure regular turnover of trustees. Where a successor cannot be found, a trustee could stand for re-election and there is no restriction in the articles on the number of times an individual can stand for re-election.

Trustees are considered to be one of two "types" (with identical rights and obligations). The first type is a serving CCF Contingent Commander who is elected primarily because of their understanding of our beneficiaries, but who may also bring other skills to the board. The second type of trustee is usually someone independent of the CCF but who is recruited to bring particular skills to the board in order to improve the ability of the trustees to govern the charity and help the board mitigate the principal risks facing the charity.

The process for identifying new trustees is twofold. In the case of Contingent Commanders, care is taken to ensure that volunteers represent a fair balance of: state and independent schools; and Royal Navy, Army and RAF contingents. In the case of trustees with specialist knowledge and experience needed by the board, external advertising is the more normal route to find trustees.

If a trustee is appointed during the year, they are co-opted by the trustees and then formally elected at the next AGM for a period of three years.

Mike Hampshire was re-elected as a trustee at the January 2025 AGM. That he stood for re-election was the subject of considerable discussion by the Board members in the run up to the AGM, as the other trustees were conscious that he had been a trustee since 12 March 2011, exceeding the tenure recommended in the Charity Commission best practice guidance. In 2024, in preparation for the 2025 AGM, the Board of trustees, without Mike Hampshire being present, discussed whether he should be invited to stand for re-election and unanimously decided that he should be allowed to stand because there were exceptionally strong reasons for doing so. The reasons for the Board's decision were simple. He was one of the most actively engaged trustees because, being retired, he was therefore 'time rich', unlike many of the trustees. He thus was giving so much to CCFA in terms of time and quality input and engagement with the Board and many of the committees, plus much work unseen by the Board such as assisting the Chief Executive, attending charity investment seminars and representing CCFA at other national events. In doing so, he drew upon his lifelong experience of teaching in schools and running a CCF contingent, thus his continuity of knowledge and experience brought an additional value of their own. The members agreed and unanimously re-elected him at the 2025 AGM

Related parties and relationships with other organisations

The charity has trustees from 11 (2024: 9) Contingents (which are beneficiaries in the charity's objects). The trustees ensure that they keep good records of who is associated with which contingent and those individuals absent themselves from any decision making that could give a

real or perceived benefit to their contingent (most commonly the award of a grant). Any such related party transactions are disclosed in note 10 to the accounts.

The charity shares offices and staff with a sister charity, ACCT UK. The two charities employ staff on joint contracts which are managed through ACCT UK and the staff costs relating to CCFA are recharged on a monthly basis. In addition, the Treasurer, Julia Hodgson, works for the Bank of England which has a role in prudential regulation and she therefore takes no part in discussions or decisions relating to the charity's investment plans and portfolio.

Remuneration policy for key management personnel

The Trustees consider that they, together with the Chief Executive, the Deputy Chief Executive and the Director of Development, comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis.

All employees are jointly contracted by CCFA with our sister charity ACCT UK. Oversight of the staffing arrangements is exercised through the joint ACCT UK and CCFA HR and Remunerations Committee as described above.

Statement of responsibilities of the trustees

The trustees (who are also directors of the CCFA for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as

Combined Cadet Force Association

Trustees' annual report

For the year ended 31 March 2025

amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- 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 corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2024 was 342 (2023: 173). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue to act in that capacity.

The trustees' annual report has been approved by the trustees on 24 September 2025 and signed on their behalf by

Nigel Maddox CBE
Chair

Independent auditor's report

To the members of

Combined Cadet Force Association

Opinion

We have audited the financial statements of Combined Cadet Force Association (the 'charitable company') for the period ended 31 March 2025 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

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 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 Association'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.

Independent auditor's report

To the members of

Combined Cadet Force Association

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 trustees' annual report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- The 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Independent auditor's report

To the members of

Combined Cadet Force Association

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 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 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance and compliance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;

Independent auditor's report

To the members of

Combined Cadet Force Association

- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Independent auditor's report

To the members of

Combined Cadet Force Association

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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Coyle (Senior statutory auditor)

Date: 29 September 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Combined Cadet Force Association

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2025

	Note	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Income from:							
Donations and legacies	2	201,325	1,161,125	1,362,450	208,843	1,357,530	1,566,373
Charitable activities							
Supporting cadets and volunteers	3	16,753	115,875	132,628	14,024	42,135	56,159
Investments	4	25,307	-	25,307	59,992	-	59,992
Other income		26,964	-	26,964	6,959	-	6,959
Total income		270,349	1,277,000	1,547,349	289,818	1,399,665	1,689,483
Expenditure on:							
Raising funds	5	7,501	-	7,501	3,902	-	3,902
Charitable activities							
Supporting contingents	5	316,387	1,748,556	2,064,943	273,086	1,480,766	1,753,852
Supporting cadets and volunteers	5	-	22,058	22,058	-	22,976	22,976
Total expenditure		323,888	1,770,614	2,094,502	276,988	1,503,742	1,780,730
Net income/(expenditure) before net (losses)/gains on investments		(53,539)	(493,614)	(547,153)	12,830	(104,077)	(91,247)
Net gains on investments	14/15	9,173	121,520	130,693	136,939	-	136,939
Net income / (expenditure) for the year		(44,366)	(372,094)	(416,460)	149,769	(104,077)	45,692
Transfers between funds	19	(4,743)	4,743	-	(8,567)	8,567	-
Net movement in funds		(49,109)	(367,351)	(416,460)	141,202	(95,510)	45,692
Reconciliation of funds:							
Total funds brought forward		1,991,274	1,613,818	3,605,092	1,850,072	1,709,328	3,559,400
Total funds carried forward		1,942,165	1,246,467	3,188,632	1,991,274	1,613,818	3,605,092

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

Combined Cadet Force Association

Balance sheet

Company no. 10445616

As at 31 March 2025

	Note	£	2025 £	£	2024 £
Fixed assets:					
Tangible Assets	13		49,428		30,989
Investments	14		1,070,831		789,654
			<u>1,120,259</u>		<u>820,643</u>
Current assets:					
Waverton Liquidity Fund	15	2,297,882		2,552,560	
Debtors	16	26,983		17,162	
Cash at bank and in hand		245,180		718,371	
			<u>2,570,045</u>	<u>3,288,093</u>	
Liabilities:					
Creditors: amounts falling due within one year	17a	(501,672)		(485,794)	
Net current assets			<u>2,068,373</u>		<u>2,802,299</u>
Total assets less current liabilities			<u>3,188,632</u>		<u>3,622,942</u>
Creditors: amounts falling due after one year	17b		-		(17,850)
Total net assets			<u><u>3,188,632</u></u>		<u><u>3,605,092</u></u>
The funds of the charity:					
Restricted income funds	19a		1,246,467		1,613,818
Unrestricted income funds:					
Designated funds:		1,070,832		789,654	
General funds		871,333		1,201,620	
Total unrestricted funds			<u>1,942,165</u>		<u>1,991,274</u>
Total charity funds			<u><u>3,188,632</u></u>		<u><u>3,605,092</u></u>

Approved by the trustees on 24 September 2025 and signed on their behalf by

Julia Hodgson
Treasurer

Michael Hampshire
Vice Chair

Combined Cadet Force Association

Statement of cash flows

For the year ended 31 March 2025

	Note	2025 £	£	2024 £	£
Cash flows from operating activities					
Net (expenditure)/income for the reporting period (as per the statement of financial activities)		(416,460)		45,692	
Depreciation charge		12,747		3,675	
Losses/(gains) on investments		(9,173)		(82,264)	
Dividends and interest from investments		(25,307)		(59,992)	
(Gains)/Losses on Waverton Liquidity Fund		(121,520)		(54,675)	
Increase in debtors		(9,821)		3,254	
Decrease in creditors		(1,972)		437,119	
Net cash provided (used in)/provided by operating activities		(571,506)		292,809	
Cash flows from investing activities:					
Dividends, interest and rents from investments		25,307		59,992	
Purchase of Fixed Assets		(31,186)		(34,664)	
Movement in short term deposit		-		1,600,000	
Purchase of additional investment shares		(265,246)			
Movement in cash held in Waverton Liquidity Fund		(169,921)		(1,592)	
Purchase of Waverton Liquidity Fund		(1,159,602)		(27,370)	
Sale of Waverton Liquidity Fund		1,705,721		(2,496,293)	
Movement in cash held by investment managers		(6,758)		3,529	
Net cash provided by/(used in) investing activities		98,315		(896,398)	
Change in cash and cash equivalents in the year		(473,191)		(603,589)	
Cash and cash equivalents at the beginning of the year		718,371		1,321,960	
Cash and cash equivalents at the end of the year		245,180		718,371	

1 Accounting policies

a) Statutory information

Combined Cadet Force Association is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address and principal place of business is Holderness House, 51–61 Clifton Street, London, EC2A 4DW.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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 (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Key judgements that the charity has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1 Accounting policies (continued)

g) Interest and dividends receivable

Interest and dividends on funds held on deposit or in the investment portfolio is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in making its investment portfolio.
- Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising overhead costs of the central function, is apportioned on the following basis which are an estimate of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £200. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

1 Accounting policies (continued)

n) Listed investments

Fixed and Current Asset investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Income from donations and legacies

	2025			2024		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Donations	-	10,000	10,000	-	-	-
Legacies	-	-	-	376	-	376
Donated services	12,000	-	12,000	12,000	-	12,000
Ministry of Defence grant	189,325	1,151,125	1,340,450	196,466	1,357,531	1,553,997
	<u>201,325</u>	<u>1,161,125</u>	<u>1,362,450</u>	<u>208,843</u>	<u>1,357,531</u>	<u>1,566,373</u>

The Reserve Forces and Cadets Association for Greater London kindly donates office space to the CCFA. This is recognised at the estimated cost of securing suitable alternative office space. The value of the service has increased in line with the employment of new staff.

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2025

3 Income from charitable activities

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Supporting contingents						
Ministry of Defence grant	-	115,875	115,875	-	42,135	42,135
Supporting cadets and volunteers						
Subscriptions	16,753	-	16,753	14,024	-	14,024
Total	16,753	115,875	132,628	14,024	42,135	56,159

4 Income from investments

	2025 Total £	2024 Total £
Dividends	25,307	25,629
Bank interest	-	34,363
Total	25,307	59,992

All income from investments is unrestricted.

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2025

5a Analysis of expenditure (current year)

	Charitable activities			Governance costs £	Support costs £	2025 £	2024 £
	Raising funds £	Supporting contingents £	Supporting cadets and volunteers £				
Staff costs (Note 8)	-	1,021,043	-	-	119,421	1,140,464	839,301
Grant making (Note 6)	-	712,350	22,058	-	-	734,408	806,715
Direct activity costs	-	114,474	-	-	-	114,474	68,810
Insurance	-	-	-	-	6,720	6,720	6,516
Marketing and advertising	-	20,589	-	-	-	20,589	17,362
Premises costs	-	-	-	-	12,000	12,000	12,000
Audit and accountancy fees	-	-	-	14,700	29,574	44,274	20,043
Trustee expenses	-	-	-	1,117	-	1,117	641
Investment manager fees	7,501	-	-	-	-	7,501	3,902
Other	-	-	-	-	12,955	12,955	5,440
	7,501	1,868,456	22,058	15,817	180,670	2,094,502	1,780,730
Support costs	-	180,670	-	-	(180,670)	-	-
Governance costs	-	15,817	-	(15,817)	-	-	-
Total expenditure 2025	7,501	2,064,943	22,058	-	-	2,094,502	
Total expenditure 2024	3,902	1,753,852	22,976	-	-		1,780,730

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2025

5b Analysis of expenditure (previous year)

	Charitable activities					
	Raising funds	Supporting contingents	Supporting cadets and volunteers	Governance costs	Support costs	2024
	£	£	£	£	£	£
Staff costs (Note 8)	-	703,896	-	-	135,405	839,301
Grant making (Note 6)	-	783,739	22,976	-	-	806,715
Direct activity costs	-	68,810	-	-	-	68,810
Insurance	-	-	-	-	6,516	6,516
Marketing and advertising	-	17,362	-	-	-	17,362
Premises costs	-	-	-	-	12,000	12,000
Audit and accountancy fees	-	-	-	12,300	7,743	20,043
Trustee expenses	-	-	-	641	-	641
Investment manager fees	3,902	-	-	-	-	3,902
Other	-	-	-	-	5,440	5,440
	3,902	1,573,806	22,976	12,941	167,105	1,780,730
Support costs	-	167,105	-	-	(167,105)	-
Governance costs	-	12,941	-	(12,941)	-	-
Total expenditure 2023	3,902	1,753,852	22,976	-	-	1,780,730

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2025

6 Grant making

A list of the School CCF Contingents that have received grants from the CCFA is in note 21.

In addition to the amounts committed and accrued, the CCFA authorises certain grants which are subject to acceptance of the terms and conditions such as the employment of a School Staff Instructor. The total amount authorised but not accrued was **£46,507** (31 March 2024: £122,172).

	2025 £	2024 £
Supporting contingents		
Contingent Growth Fund	672,584	783,739
CCF Marketing Fund	39,766	-
Supporting cadets and volunteers		
Small grants programme	22,058	22,976
At the end of the year	<u>734,408</u>	<u>806,715</u>

Contingent Growth Fund – grants awarded to **128** (31 March 2024: 139) CCFs in schools in year ended 31 March 2025

Cadet Bursary Fund – grants awarded to **Nil** (31 March 2024: 2) CCFs in schools in the year ended 31 March 2025

Small Grants Programme, grants awarded to individuals in **31** (31 March 2024: 14) schools in year

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2025 £	2024 £
Depreciation	12,747	3,675
Auditor's remuneration (excluding VAT):		
Audit – current year	10,750	10,250
	<u>10,750</u>	<u>10,250</u>

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2025 £	2024 £
Salaries and wages	952,767	707,464
Redundancy and termination costs	3,679	-
Social security costs	99,034	70,890
Employer's contribution to defined contribution pension schemes	84,984	60,947
	<u>1,140,464</u>	<u>839,301</u>

No employee earned more than £60,000 during the year (31 March 2024: nil).

8 Analysis of staff costs (continued)

The trustees consider that they, together with the Chief Executive, Deputy Chief Executive and Director of Development comprise the key management personnel of the charity. The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were **£119,421** (31 March 2024: £135,405). This has reduced from the prior year because a greater proportion of the Senior Leadership Team costs have been allocated to ACCT UK, our sister charity.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (31 March 2024: £nil). No charity trustee received payment for professional or other services supplied to the charity (31 March 2024: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling **£1,117** (31 March 2024: £641) incurred by **6** (31 March 2024: 2) members relating to attendance at meetings of the trustees.

9 Staff numbers

The full time equivalent staff carrying out work for the CCFA during the year was **28** (31 March 2024: 22).

Because the CCFA shares its back office functions with ACCT UK it has chosen to employ all staff across both charities on joint contracts. This means that the charities gain flexibility and economies in how staff support the charities. However this joint contract arrangement requires CCFA to disclose the average number of employees for the two charities combined. This is taken as a head count based on number of staff employed. During the year this was **82** (31 March 2024: 73).

10 Related party transactions

Recharges of **£1,140,464** (31 March 2024: £839,301) were made by ACCT UK, a registered charity, which provides payroll services and recharges these, as explained in note 9, to the CCFA at cost. Of this **£1,021,043** (31 March 2024: £703,896) is included in supporting contingents and **£119,421** (31 March 2024: £135,405) is included in support costs.

On occasion grants are awarded to contingents at which trustees are adult volunteers. Decisions about who to award funds to are made by the Grants Committee. On the rare occasion a trustee's contingent has applied for a grant, that trustee will not be a party to the discussion of their contingent's application. If they sit on the Grants Committee they will leave the room for that part of the meeting.

There were 2 transactions to related parties during the year and these have been published at the trustee meetings.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

11 Amounts disbursed as agent

The Combined Cadet Force Association acts as an agent for members requiring insurance. Income and related disbursements are therefore excluded from the statement of financial activities. During the year, funds of **£43,626** were received, (£19,520 31 March 2024) **£30,288** was expended (31 March 2024: £27,734) **£Nil** was receivable (31 March 2024: £nil) and **£13,337** (31 March 2024: £5,654) was moved to miscellaneous income. This is in line with the charity's policy on treatment of surplus and deficit insurance receipts.

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

13 Tangible fixed assets

	Computer equipment £	Camera Equipment £	Total £
Cost			
At the start of the year	3,210	31,454	34,664
Additions in year	31,186	-	31,186
Disposals in year	-	-	-
At the end of the year	34,396	31,454	65,850
Depreciation			
At the start of the year	180	3,495	3,675
Charge for the year	12,747	-	12,747
Eliminated on disposal	-	-	-
At the end of the year	12,927	3,495	16,422
Net book value			
At the end of the year	21,469	27,959	49,428
At the start of the year	3,030	27,959	30,989

All of the above assets are used for charitable purposes.

14 Listed investments

	2025 £	2024 £
Fair value at the start of the year	773,820	664,186
Additions at cost	265,246	27,371
Disposal proceeds	-	-
Net gain on change in fair value	9,173	82,264
	1,048,239	773,820
Cash held by investment broker pending reinvestment	22,592	15,834
Fair value at the end of the year	1,070,831	789,654
Investments comprise:		
	2025 £	2024 £
Funds listed on the London Stock Exchange	1,048,239	773,820
Cash	22,592	15,834
	1,070,831	789,654

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2025

15 Waverton Liquidity Fund	2025	2024
	£	£
Fair value at start of the year	2,550,968	-
Additions at cost	1,159,602	2,496,293
Disposal Proceeds	(1,705,721)	-
Net Gain on changes in fair value	121,520	54,675
Fair Value at the end of the year	<u>2,126,369</u>	<u>2,550,968</u>
Cash held for reinvestment	171,513	1,592
	<u><u>2,297,882</u></u>	<u><u>2,552,560</u></u>
	2025	2024
	£	£
Funds listed on the London Stock Exchange	2,126,369	2,550,968
Cash held by investment broker pending re-investment	171,513	1,592
	<u><u>2,297,882</u></u>	<u><u>2,552,560</u></u>
	2025	2024
	£	£
Prepayments	26,983	17,162
	<u><u>26,983</u></u>	<u><u>17,162</u></u>
	2025	2024
	£	£
Trade Creditors	27,689	19,234
Accruals	22,868	16,560
Deferred income	450,000	450,000
Other Creditors	1,115	-
	<u><u>501,672</u></u>	<u><u>485,794</u></u>
	2025	2024
	£	£
Grants payable – due in 2–5 years	-	17,850
	<u><u>-</u></u>	<u><u>17,850</u></u>

18a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	49,428	-	-	49,428
Investments	-	1,070,832	-	1,070,832
Net current assets	821,906	-	1,246,467	2,068,373
Net assets at 31 March 2025	871,334	1,070,832	1,246,467	3,188,633

18b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	30,989	-	-	30,989
Investments	-	789,654	-	789,654
Net current assets	1,188,483	-	1,613,818	2,802,301
Net assets at 31 March 2024	1,219,472	789,654	1,613,818	3,622,944

19a Movements in funds (current year)

	At 1 April 2024 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2025 £
Restricted funds:					
Donor Fund (Small Grants)	4,489	10,000	(22,058)	7,569	-
CCF Marketing Fund	80,774	135,358	(56,159)	-	159,973
CCF Support Fund	663,767	1,226,542	(1,019,812)	(2,586)	867,911
Contingent Growth Fund	864,787	26,620	(672,584)	(240)	218,583
Total restricted funds	1,613,817	1,398,520	(1,770,613)	4,743	1,246,467
Unrestricted funds:					
Designated funds:					
Grant Generation Fund	789,654	33,828	(2,650)	250,000	1,070,832
Total designated funds	789,654	33,828	(2,650)	250,000	1,070,832
General funds	1,201,621	238,975	(314,520)	(254,743)	871,333
Total unrestricted funds	1,991,275	272,803	(317,170)	(4,743)	1,942,165
Total funds	3,605,092	1,671,323	(2,087,783)	-	3,188,632

Transfers into the restricted funds cover any deficit incurred on that fund with general funds (unless another restricted fund was appropriate). The transfers out of the CCF Support Fund and the Contingent Growth Fund went to cover expenditure in the small grants programme where the grant matched the purpose of the restriction.

The trustees chose to designate a further £250k of reserves this year to the Grant Generation Fund in order to maximise the potential income for grants in future years.

The narrative to explain the purpose of each fund is given at the foot of the note below.

19b Movements in funds (prior year)

	At 1 April 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 March 2024 £
Restricted funds:					
Cadet Bursary Fund	76,266	-	-	(76,266)	-
Donor Fund (Small Grants)	18,897	-	(22,975)	8,567	4,489
CCF Conference Fund	3,265	-	(3,804)	539	-
CCF Marketing Fund	76,686	42,134	(38,046)	-	80,774
CCF Support Fund	-	1,357,530	(693,224)	(539)	663,767
Contingent Growth Fund	1,534,214	-	(745,693)	76,266	864,787
Total restricted funds	1,709,328	1,399,664	(1,503,742)	8,567	1,613,817
Unrestricted funds:					
Designated funds:					
Grant Generation Fund	683,549	106,555	(450)	-	789,654
Total designated funds	683,549	106,555	(450)	-	789,654
General funds	1,166,523	320,201	(276,536)	(8,567)	1,201,621
Total unrestricted funds	1,850,072	426,756	(276,986)	(8,567)	1,991,275
Total funds	3,559,400	1,826,420	(1,780,728)	-	3,605,092

Purposes of restricted funds

Cadet Bursary Fund – this was used to support the set up costs of new CCF Contingents in state schools.

Donor Fund – this is to be used to support individual cadets to access the full cadet experience unhindered by the vagaries of personal circumstance.

CCF Conference Fund – this is to be used to support CCF conferences and events.

CCF Marketing Fund – this is to be used to support recruitment activities and purchase equipment in support of the CCF.

CCF Support Fund – this is used to support the CCF contingent support staff and activities across all Region.

Contingent Growth Fund – these funds are intended to help CCF contingents to cater for a larger number of young people so that they can take part in CCF activities each year.

Purposes of designated funds

Grant Generation Fund – these are funds set aside in an investment fund by the trustees and treated in the same way as an endowment in order to generate funds that can be used in CCFA's grant programmes. In the long term the charity would like to be able to use income from the portfolio to fund grant making but is prepared to reinvest income until 1 April 2030 to augment capital growth in order to help achieve a greater residual income in future years.

20 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

21 School CCF Contingents that have received grants from the CCFA for the year ended 31 March 2025

CCFA supported young people, volunteers and the contingents of 123 schools this year. The schools that received support were:

ALDENHAM SENIOR SCHOOL	KING EDWARD'S SCHOOL, BATH
ALLEYN'S SCHOOL	KING EDWARD'S SCHOOL, BIRMINGHAM
ARNOLD HILL SPENCER ACADEMY	KING'S LEADERSHIP ACADEMY, BOLTON
ARTHUR MELLOWS VILLAGE COLLEGE	KING'S LEADERSHIP ACADEMY, WARRINGTON
BARNARD CASTLE SCHOOL	KING'S SCHOOL, ROCHESTER
BARR BEACON SCHOOL	KINGSTHORPE COLLEGE
BAY LEADERSHIP ACADEMY	LANGLEY SCHOOL
BEDE ACADEMY	LIPSON CO-OPERATIVE ACADEMY
BEDFORD MODERN SCHOOL	LONGHILL HIGH SCHOOL
BELMONT COMMUNITY SCHOOL	MALVERN COLLEGE
BISHOP OF LLANDAFF HIGH SCHOOL	MATRAVERS SCHOOL
BLESSED JOHN HENRY NEWMAN CATHOLIC COLLEGE	MONTSAYE ACADEMY
BLOXWICH ACADEMY	MORETON HALL SCHOOL
BOURNEMOUTH SCHOOL	MOUNT ST. MARY'S COLLEGE
BRANNEL SCHOOL	NENE PARK ACADEMY
BRIDLINGTON SCHOOL	NORTHAMPTON INTERNATIONAL ACADEMY
BROMSGROVE SCHOOL	NOTTINGHAM HIGH SCHOOL
BUDMOUTH ACADEMY	ORMISTON HORIZON ACADEMY
CALDAY GRANGE GRAMMAR SCHOOL	ORMISTON MARITIME ACADEMY
CAMPBELL COLLEGE	OSWESTRY SCHOOL
CAROLINE CHISHOLM SCHOOL	OUTWOOD ACADEMY RIVERSIDE
CHARTERHOUSE	PANGBOURNE COLLEGE
CHATHAM & CLARENDON GRAMMAR SCHOOL	PATE'S GRAMMAR SCHOOL
CHESTERFIELD HIGH SCHOOL	PENISTONE GRAMMAR SCHOOL
CITY OF LONDON ACADEMY ISLINGTON	POCKLINGTON SCHOOL
COLLEGIATE SCHOOL	PRIORY RUSKIN ACADEMY
DAME ELIZABETH CADBURY SCHOOL	Q3 ACADEMY GREAT BARR
DROYLSDEN ACADEMY	QUEEN ETHELBURGA'S COLLEGIATE
EAST NORFOLK SIXTH FORM COLLEGE	QUEEN MARY'S GRAMMAR SCHOOL
EASTBOURNE COLLEGE	RADLEY COLLEGE
ELIZABETH COLLEGE, GUERNSEY	READ SCHOOL
EMBLEY SCHOOL	READING BLUE COAT SCHOOL
ENERGY COAST UTC	RIPLEY ST. THOMAS CHURCH OF ENGLAND ACADEMY
EXETER SCHOOL	ROUNDHAY SCHOOL
FELSTED SCHOOL	ROYAL BELFAST ACADEMICAL INSTITUTE
FOYLE COLLEGE	RUGBY SCHOOL
GAD'S HILL SCHOOL	SIR CHRISTOPHER HATTON ACADEMY
GATEWAYS SCHOOL	SIR JOHN NELTHORPE SCHOOL
GIGGLESWICK SCHOOL	SOUTHFIELD SCHOOL
GODOLPHON SCHOOL	ST. BRIGID'S SCHOOL
HAILEYBURY COLLEGE	ST. EDMUND'S SCHOOL, CANTERBURY
HARRIS ACADEMY WIMBLEDON	ST. EDWARD'S SCHOOL, OXFORD
HELE'S SCHOOL	ST. PAUL'S SCHOOL FOR GIRLS
HONLEY HIGH SCHOOL	STAMFORD WELLAND ACADEMY
JOHN MADEJSKI ACADEMY	STANGROUND ACADEMY
KETTERING BUCCLEUCH ACADEMY	STOWE SCHOOL
KILKEEL HIGH SCHOOL	STROUD HIGH SCHOOL

21 School CCF Contingents that have received grants from the CCFA (continued)

THE COTSWOLD SCHOOL	THISTLEY HOUGH ACADEMY
THE FERRERS SCHOOL	TILE CROSS ACADEMY (SOLIHULL SCHOOL)
THE FOLKESTONE SCHOOL FOR GIRLS	TONBRIDGE SCHOOL
THE GILBERD SCHOOL	TRINITY SCHOOL, TEIGNMOUTH
THE HEREFORD ACADEMY	VICTORIA COLLEGE, BELFAST
THE KHALSA ACADEMY WOLVERHAMPTON	WALKER RIVERSIDE ACADEMY
THE LEYS SCHOOL	WARMINSTER SCHOOL
THE MOSSLANDS SCHOOL	WARWICK SCHOOL
THE PETERSFIELD SCHOOL	WEDNESFIELD ACADEMY
THE PHOENIX COLLEGIATE	WESTCLIFF HIGH SCHOOL FOR BOYS
THE PRIORY ACADEMY LSST	WREKIN COLLEGE
THE ROYAL GRAMMAR SCHOOL, GUILDFORD	WRITHLINGTON SCHOOL
THE ROYAL GRAMMAR SCHOOL, HIGH WYCOMB	WYCLIFFE COLLEGE
THE SAMWORTH CHURCH ACADEMY	WYMONDHAM COLLEGE
THE VYNE COMMUNITY SCHOOL	

COMBINED CADET FORCE ASSOCIATION

England & Wales - Charity number 1170994

Accounts

Company number: 10445616
Charity Number: 1170994
Scottish Charity Number: SC048021



Combined Cadet Force Association

The Charity Supporting Cadets in Schools

Report and financial statements
For the year ended 31 March 2024

Combined Cadet Force Association

Contents

For the year ended 31 March 2024

Reference and administrative information	1
Trustees' annual report	3
Independent auditor's report	15
Statement of financial activities (incorporating an income and expenditure account)	21
Balance sheet	22
Statement of cash flows	23
Notes to the financial statements	24

Combined Cadet Force Association

Reference and administrative information

For the year ended 31 March 2024

Company number 10445616
Country of incorporation United Kingdom

Charity number 1170994 SC048021
Country of registration England & Wales Scotland

Registered office and operational address Holderness House
51-61 Clifton Street
London EC2A 4DW

President Vice Admiral PD Hudson CB CBE

Trustees Trustees, who are also directors under company law, who served during the period and up to the date of this report were as follows:

D	Nigel Maddox CBE	Chair
A B D	Michael Hampshire	Vice Chair
A C	Julia Hodgson	Treasurer
	Scott Benest	
	Jonathan Bleakley	
A B D	Susan Bonell OBE	
A B D	Fiona Chapman	(resigned 29 Aug 2024)
	Simon Davies	
B	Michael Hamid	
D	Alexander Hudson	
	Caroline Hutton-Stott	
A C	Simon McMenemy	
B	Daniel Montgomery	(resigned 23 Jan 2024)
	Geraldine Poulet-Bowden	(resigned 23 Jan 2024)
B	Miles Ripley	
B	Christopher Thompson	

A denotes membership of the Finance and Compliance Committee

B denotes membership of the Grants Committee

C denotes membership of the HR and Remuneration Committee

D denotes membership of the Nominations and Governance Committee

Combined Cadet Force Association

Reference and administrative information

For the year ended 31 March 2024

Key management personnel	Murdo Urquhart OBE Richard Walton Faye Meakin	Chief Executive Deputy Chief Executive Director of Development
Bankers	Lloyds Bank plc Butler Place London SW1H 0PR	
Investment managers	Waverton Investment Management 16 Babmaes Street London SW1Y 6AH	
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor 110 Golden Lane London EC1Y 0TG	

The trustees present their report and the audited financial statements for the year ended 31 March 2024.

Reference and administrative information set out on page 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The Combined Cadet Force Association (CCFA) has three charitable objects:

- To develop the physical, mental, spiritual, moral and cultural capacity of young persons, and an understanding of personal values, through education in the context of adventurous and military style training, so that they may grow to full maturity as individuals and members of society;
- To cultivate confidence, teamwork, judgement and powers of communication so that their conditions of life may be improved;
- To promote the efficiency of the Combined Cadet Force through fostering cadet activity and advancing the youth leadership abilities of Cadet Force Adult Volunteers.

The principal way the charity delivers on its objects is through charitable grant giving, particularly the first and second objects. These grants enable access to activities that will educate, develop and broaden the interests of the 51,360 young people who are cadets in the Combined Cadet Force (CCF). These young people are involved in one of 464 school-based CCF Contingents in the UK. CCFA looks to enhance young people's development by the making of grants to support both the contingents and individual cadets, enabling them to take part in a wide range of activities. Other grants can help a contingent to improve its resilience or to be able to work with more young people, ensuring young people can access development opportunities for many years to come.

Aside from grant giving, CCFA delivers on its objects by supporting the CCF as a whole. It provides membership support services in the interests of the entire CCF, such as the provision of insurance cover against accidents, travel difficulties and to provide legal advice and assistance for volunteers. It contributes to the delivery of training and development courses for CCF adult volunteers. It seeks national non-state recognition for CCF cadets and adult volunteers who have used their CCF training to save lives or display remarkable citizenship.

CCFA is funded, through the CCF Support Fund, to directly support CCF Contingents. This support is delivered through the charity's team of Contingent Support Officers across the UK, enabling Contingents to become more sustainable and to be ready to take on more young people.

Embedded in the ten regional Cadet Training Teams, our Contingent Support Officers work hand in glove with the training sergeants to provide coherent support to the Contingents.

CCFA is recognised by the Ministry of Defence (MOD), single service cadet force headquarters and the Department for Education (in England) as a key supporting partner. Thus, although the charity has no executive role in the running of the CCF, which is the responsibility of the MOD and single services in partnership with schools, it is part of the national framework steering the CCF and its activities. The Chair and Senior Leadership Team attend high level MOD steering group meetings. Also, through these connections, the charity provides another forum for the MOD, single services and schools to exchange views.

Achievements and performance

This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help.

The enduring priority for the charity's trustees is to ensure that young people are able to develop through membership of the CCF. This means a focus on some key areas:

- Supporting struggling CCF contingents in order to prevent them from closing.
- Removing barriers, such as cost, to individual cadet participation in CCF activities.
- Advocating for the CCF to key influencers in order that the benefits of CCF activities to young people's development are widely understood and well supported.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

The charity's main activities and who it tries to help are described below. All its charitable activities focus on the cadets, volunteers and contingents of the CCF and are undertaken to further the CCFA's charitable purposes for the public benefit.

Grant Programmes

The charity furthers its objects through the awarding of grants to individual cadets, or to CCF contingents. It runs two main grant programmes: the Small Grants Programme and the Contingent Growth Fund. The Cadet Bursary Fund is no longer making new grants but continues to make grant payments agreed in the past. Incidental grant applications, such as for equipment, are considered on merit, alignment with the objects, impact and affordability as funds are available. The charity makes grants on the following basis:

- Small Grants Programme. The Grants Committee considers grants on a rolling basis. Individual grants up to a normal maximum of £350 are awarded to support a cadet to take part in a CCF

activity they would otherwise be unable to afford. Application criteria place great importance on the personal circumstances of the participant, demonstrating a need for charitable support.

- Group Activity Grants are a special class of small grants that allow a CCF Contingent to reduce the cost of a contingent activity for all participating cadets. Grants, up to a normal maximum of £750, are awarded to CCF Contingents in support of activities that would be too expensive to encourage wide participation. Whilst this grant process normally takes place once annually, financial pressures led the trustees to make the decision to pause Group Activity Grants in 2023–2024. This programme will run again in the coming year.

Applications for both of the above grant types are made on forms which are circulated to all CCF Contingents and the applications are considered by a committee of CCFA trustees. Grants are awarded with a requirement to report on the use of the grant within an agreed period of time.

- Contingent Growth Fund. With the conclusion of the second phase of the Cadet Expansion Programme (CEP) and the stated ambition of the Government to increase the number of young people involved in each CCF Contingent, the trustees established the Contingent Growth Fund to support CEP Phase Three. Applications are invited at regular intervals throughout the year. This fund seeks to fund initiatives aimed at increasing the number of young people participating in a particular CCF Contingent by improving the recruitment and retention of young people.

The performance of the charity's grant programmes in the year was:

- Small Grants Programme. Since 2013 CCFA has committed to make up to £25,000 worth of small grants per annum. This year the total grants made were £22,976 (2023 – £22,239).
- Contingent Growth Fund. The fund opened to applications in February 2022 and this year made 139 grants totalling £783,739 (2023 – £796,997).

Beneficiaries of our services

A major way in which the charity delivers benefit to its beneficiaries is through the provision of grants. As explained earlier in the report grants are made either to support the contingent and its ability to deliver the cadet programme, or to individual cadets to enable them to access the full range of opportunities in their contingent.

In order to measure the difference that these grants have made the trustees ask for reports from grant recipients. These detail the impact of the grant and are used to help the trustees to decide both what funding to bid for and how best to structure the charity's grant programmes in the future.

Some examples of the impact on the beneficiaries detailed in the last section of this report include:

A grant from the Small Grant programme gave a young cadet from The Priory Academy LSST an opportunity to attend an Adventurous Training week in the Lake District. As a Pupil Premium student, this type of activity is not something their family would normally be able to support. The

Combined Cadet Force Association

Trustees' annual report

For the year ended 31 March 2024

experience not only left them with a lasting memory but also helped them gain life skills and friendships.

The young cadet said, *“with this grant, I have been able to make memories I will cherish for years. On this camp, I did many amazing things and became a stronger person than I was at the beginning. Without this grant, I would not have been able to achieve this. The things I did on this camp have made me lots more confident in being able to go about my life, as I now know I am capable of doing things I never would have imagined, such as climbing a mountain, and jumping off a 30ft cliff into a body of water. I also made many good friends on this camp, of which I still talk to in everyday life.*

This camp has been the experience of a lifetime. I enjoyed it so much and it has been the most fun and exciting week of my life. I never expected to be able to do any of these things and this gave me the opportunity to go wild for 5 days straight!”

Contingent Growth Fund

With a grant from the Contingent Growth Fund, Queen Elizabeth Sixth Form College, was able to convert an old changing room into a CCF classroom. This has doubled their teaching space providing suitable learning environment for cadets. The new classroom is also used as an air rifle range allowing cadets to improve their training experiences without having to travel to a different venue. This has led to an increase in cadet numbers, and cadets from under-privileged backgrounds no longer need to take time off from their part-time work for training. One young cadet said, *“the classroom has been a great addition to cadets as it has supported the expansion of the contingent as we grow in numbers each year so the new classroom enables us to accommodate all wannabe cadets and by enabling us to also utilise this room as a firing range which will support us in shooting competitions in the future!”*

Similarly, thanks to a Contingent Growth Fund grant, Tonbridge School was able to purchase 6 canoes which have played a pivotal role in enhancing their Adventurous Training. The availability of the new canoes ensures that cadets from disadvantaged backgrounds have equal opportunities to participate in water-based activities as there are no hire costs. This fosters a sense of inclusion and belonging within the CCF community. One young cadet said, *“growing up in challenging circumstances, the CCF has been my lifeline to a world of possibilities. Beyond the physical and mental benefits of Adventure Training, the grant has provided me with experiences I never thought possible. It's more than just paddling – it's about breaking barriers and finding my strength. The CCF has become my sanctuary, and the grant's impact has been transformative. It's not just about canoes; it's about building a future where limitations are replaced with opportunities. I am profoundly thankful for these opportunities through the support of the CCFA grant.”*

Financial review

The statement of financial activities for the period is set out on page 21 of the financial statements. A summary of the financial results and the work by the charity is set out below.

Income for the year ended 31 March 2024 included donations and legacies of £1,566,373 (2023 – £1,176,436), income for supporting cadets and volunteers of £56,159 (2023 – £133,600) and investment income and interest of £59,992 (2023 – £32,988). Total gross income amounted to £1,689,483 (2023 – £1,355,239).

Expenditure for the period comprised costs of raising funds of £3,902 (2023 – £600), costs of activities in support of contingents of £1,753,852 (2023 – £2,251,869) which reflects the planned lower expenditure against grant programmes (there having been an exceptional equipment grant in the prior year) and costs of supporting cadets and volunteers of £22,976 (2023 – £22,239). Total expenditure amounted to £1,780,730 (2023 – £2,274,708).

Net income for the year after investment movements amounted to £45,692 (2023 – net expenditure of £954,923).

The trustees expect the charity to exist in perpetuity and its investment policy is designed to support the long-term financial health of the charity. The charity adopted the current investment policy in February 2023; its stated objectives are to:

- Protect the value of CCFA's investment portfolio within an acceptable level of risk.
- Generate a return of CPI plus 3% per annum over the medium term¹, after expenses.

The charity has adopted a total return approach to investment, generating the investment return from income and capital gains or losses. It is expected that if in any one year the total return is insufficient to meet the growth target, in the long term the real value of the investments will still grow in accordance with the investment objectives above.

The charity has decided not to invest in assets that the trustees consider to be contrary to the spirit of its objects. In particular tobacco, alcohol and pornography are to be excluded from our investments. The trustees have agreed a process with our investment managers as to how these restrictions are to be applied.

During the year net gains on the fair value of long-term investments amounted to £136,939 (2023 – net losses of £35,454). The six-year average return on the long-term investment portfolio was 5.84%. The trustees measure this against a benchmark of the six-year average of CPI + 3% to the end of Mar 2024, which has been calculated as 6.68%. The trustees note that the portfolio has performed below this benchmark, reflecting that the benchmark has been affected by particularly

¹ Defined as a six-year average

high inflation in both 2021–22 and 2022–23. Trustees also note that the one-year performance in 2023–24 was particularly strong (+20.03%) and are satisfied with the investment performance in the year.

In order to support the efficient delivery of our grant programmes and to efficiently manage cash flow, the trustees have directed that funds earmarked for grant making are to be held in a three-day access short-term investment portfolio. Last year these funds were held in cash deposit accounts of no more than 24-months in duration. At the end of March 2024, the funds held in short-term investments were £2,552,560 (2023: £1,600,000 in cash deposit accounts) and the funds held in the long-term investment portfolio were £789,654 (2023: £683,549).

Reserves policy and going concern

The CCFA adopted the current Reserves Policy in December 2019. The purpose of the policy is to ensure the ongoing operations of the charity are protected in the event of a sudden decline in the financial health of the charity. The reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The reserve may also be used for one-time, non-recurring expenses that will build long-term capacity, such as staff development or investment in infrastructure.

The reserve is defined as unrestricted funding that has not been designated for a specific purpose. The reserve will be an amount sufficient to maintain ongoing operations and programmes for three to six months. The reserve will be reviewed and adjusted in response to internal and external changes.

The target reserve fund is equal to between 3 and 6 months of operating costs and is calculated at the start of the year based on the budget. This year the reserves target was calculated as between £456,464 and £912,928 (2023 – £427,132 to £854,264) which reflected the planned budgeted expenditure for the year.

From time to time the trustees might choose to designate funds for long term investment to realise an income that can be used to further the charity's objects. These funds will not be counted as part of the charity's free reserves.

Actual free reserves in 2024 were £1,201,621 (2023: £1,166,523).

This means that free reserves are approximately £288,693 or 32% greater than the target reserves (2023 – £312,259, or 37% greater). The trustees note that this excess has reduced by 7.5% year-on-year and are content that the reserve is being expended on charitable activity in a sustainable way that will not put the charity into financial difficulty. Trustees have plans to spend further funds in the coming year to steadily bring the reserves to within the target level.

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts and decided that CCFA is a going concern. The trustees have made this assessment in respect of a one-year period from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Principal risks and uncertainties

The trustees examine the major risks that the charity faces each financial year during routine board meetings and in meetings between the senior trustees and the Chief Executive. The charity has systems in place to monitor and control these risks to mitigate any impact that they may have on the charity's activities in the future.

The key risks for the charity, as identified by the trustees, are described below together with the principal way in which they are mitigated:

- Risk of failing to deliver fully on the charitable objects because CCFA's beneficiaries (principally CCF contingents) are not aware of the charity that exists to support them. Communicating with the beneficiaries is not straightforward, therefore the charity uses a variety of effective channels of communication to spread the word about the support that the charity can provide.
- Risk of failing to sustain major grant programmes. The charity is keen to support the Government's ambition to increase the number of cadets in schools and is conscious that many new CCF contingents formed under the Cadet Expansion Programme need financial support to become established, whilst some legacy CCF contingents are struggling to survive. The charity's Contingent Growth Fund currently meets that need, but the funds available are finite and diminishing. If the fund is not topped up, the charity will have to close the fund when it is spent with the potential risk that some of its beneficiaries, CCF contingents, will have to close. The charity is therefore seeking funds to create a replacement charitable programme that will support the continued development of CCF Contingents.
- Governance Risk. The success of the CCFA's programme of work depends on good governance. The trustees seek to ensure this by: having appropriate recruitment and appointment processes; regular reviews of the board's structure, competence and diversity overseen by the Nominations & Governance Committee; and holding appropriate insurance to protect trustees;.

Fundraising

The charity's approach to fundraising activity is to seek grants from organisations in order to achieve a particular aim, for example to support the growth of cadet numbers in existing CCF

contingents. Where an individual or group with an interest in the cadet movement would like to support cadets, we invite them to donate to the CCFA. We also offer the facility for individuals to make one off or repeat donations online and offer membership of the CCFA to repeat individual donors or CCF Contingents. This year we ran a small fundraising campaign “£75 for 75” in which we asked each of the 464 contingents to raise £75 to mark the 75th anniversary of the formation of the modern CCF.

At present the charity is not a member of the Fundraising Regulator because it does not engage in the kind of fundraising activity that would make this a requirement. This position was reviewed this year with no change, and will be reviewed annually.

We do not contact our members or supporters to solicit donations, although this is something we might consider doing should we have a specific fundraising objective in the future. We have received no complaints about fundraising.

Plans for the future

The charity is undertaking a considered programme of evolution. In 2023, following the 2022 deep review of what CCFA is and does, CCFA chose to adopt a new brand image, a new tagline “supporting cadets in schools” and secured the website address and social handles “@cadetsinschools”. CCFA officially launched these new addresses in summer 2024.

Whilst the charity itself is financially secure, the trustees remain concerned about the viability of many of the CCF contingents (the charity’s beneficiaries), not just those formed under the Cadet Expansion Programme, but also long-established legacy contingents. A number of them are struggling for a variety of reasons outside CCFA’s control, but additional financial support could make the difference. Therefore, the ambition of the trustees is to maintain the core hardship grant programmes to support these contingents and to identify new ways of supporting contingents and help them to embed into the fabric of the school.

The charity’s Small Grants Programme remains sound and secure, for which the trustees remain enormously grateful to Mr Gareth Neame OBE for his continuing close interest and generous donations in recent years. Whilst the donations were paused this year as CCFA had sufficient funds for this programme, Mr Neame has confirmed his commitment to funding the programme next year.

As stated in the section on Principal Risks and Uncertainties, communicating with CCF contingents remains a constant challenge. A programme of visiting Contingents at their summer camps will be undertaken by the charity and we are investing in new Customer Relationship Management software to support our communications with Contingents. We will make use of our new brand image and social channels to promote our message as well as refresh and modernise our existing web-presence.

In respect of Governance, the trustees have completed a programme of reducing the number of trustees, culminating this year in not appointing new trustees to replace those that have stood down. The focus now turns to succession planning and ensuring there is a balance of “new blood” and experience on the board to best govern the charity.

Structure, governance and management

The CCFA is a registered charity and a company limited by guarantee, not having a share capital. The entity was incorporated on 25 October 2016 and registered as a charity with the Charity Commission for England and Wales on 5 January 2017 and the Office of the Scottish Charity Regulator on 22 December 2017. It is governed by its memorandum and articles of association which were updated in 2022 and adopted on 24 January 2023. This arrangement replaced an earlier construct of the CCFA which was constituted by a trust deed and registered with the Charity Commission in 1963 under charity number 305988. The assets of this earlier version of the CCFA were transferred to the new construct which was duly re-registered with the Charity Commission under charity number 1170994.

The CCFA has approached the Charity Commission for Northern Ireland and attempted to register with them as the charity operates in Northern Ireland. The commission has responded to say that they are in the process of registering charities that are not regulated by another UK charity regulator first and will contact the CCFA when they are ready to process our application.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

The part time Chief Executive of the charity is Murdo Urquhart OBE, who heads a small team of staff comprising Richard Walton, the part time Deputy Chief Executive, Faye Meakin, the part time Director of Development, and 25 full- and part-time members of staff.

The annual budget is agreed by the Finance and Compliance Committee. The senior trustees (Chair, Vice Chair, and Treasurer) are consulted by the Chief Executive on a regular basis and on all matters that are considered by him to be strategic, novel or contentious. These consultations are largely conducted by video conference, telephone and e-mail or at informal “management board” meetings.

The CCFA Board of Trustees meets at least twice per year. Amongst other papers the Board receives:

- A report from the Finance and Compliance Committee of the CCFA; including the audited financial statements of the charity. The audited financial statements are agreed and signed off at this meeting.
- An updated register of the diverse risks being managed by the charity.

The Board has the following sub committees:

- The **Finance and Compliance Committee** carries out the overall financial management of the charity (including agreeing the annual budget, the raising, investment and direction of funds, and the oversight of financial processes) and the regular review of the charity's governance arrangements. The Committee consists of the Treasurer, the Vice Chair, the Legal and Governance Adviser and the School Finance Adviser. It meets four times per year after the end of each financial quarter and reports at both board meetings.
- The **Audit and Investments Committee** is a joint sub-committee of the CCFA and its sister charity, the Army Cadet Charitable Trust UK (ACCT UK). It is responsible for technical advice and guidance relating to the annual audit and the management of funds the charities have chosen to invest through the current investment manager. The Committee consists of three ACCT UK trustees and three members from the CCFA Board of Trustees. It reports back to both Boards of Trustees.
- The **Grants Committee**, chaired by the Vice Chair and includes at least two other trustee members. This committee sets the overall policy for grants and makes decisions about which applications to fund. It considers applications approximately three times per year.
- The **Contingent Growth Fund Committee** is formed of at least two trustees (any available trustee serves) and two external advisers: one from the MOD to advise on the impact a grant could have on contingent stability, and one from the Department for Education to advise on how a grant would impact on the integration of a contingent with the school and its leadership. This committee makes decisions about which applications to fund. It considers applications approximately four times per year.
- The **HR and Remuneration Committee** is a joint sub-committee of the CCFA and ACCT UK. It is responsible for technical advice and guidance relating to all values-based systems and policies to ensure that both charities are following legislation and considering best practice in relation to their employees, independent contractors and volunteers. The Committee consists of the three ACCT UK trustees, two members from the CCFA Board of Trustees and a co-opted HR specialist. It meets twice per year: in summer to consider policy and structure; and in winter to set the pay and conditions for employees from the following April. It reports back to both Boards of Trustees.
- The **Nominations and Governance Committee** is chaired by the Chair of trustees and includes at least three other trustee members. This committee is responsible for trustee development (including mentoring of new trustees), recruitment, monitoring (and acting to improve) board diversity; ensuring the board has all the skills needed to govern effectively; It meets at least annually.

Appointment of trustees

Trustees are appointed for a period of three years and encouraged to serve for no more than three terms to ensure regular turnover of trustees. Where a successor cannot be found, a trustee could stand for re-election and there is no restriction in the articles on the number of times an individual can stand for re-election.

Trustees are considered to be one of two "types" (with identical rights and obligations). The first type is a serving CCF Contingent Commander who is elected primarily because of their understanding of our beneficiaries but who may also bring other skills to the board. The second type of trustee is usually someone with little or no knowledge of the CCF but who is recruited to bring particular skills to the board in order to improve the ability of the trustees to govern the charity and help the board mitigate the principal risks facing the charity.

The process for identifying new trustees is twofold. In the case of Contingent Commanders, care is taken to ensure that volunteers represent a fair balance of: state and independent schools; and Royal Navy, Army and RAF contingents. In the case of trustees with specialist knowledge and experience needed by the board, external advertising is the more normal route to find trustees.

If a trustee is appointed during the year, they are co-opted by the trustees and then formally elected at the next AGM for a period of three years.

Trustee induction and training

There are four parts to trustees' induction. They:

1. are provided with a pack of information about CCFA;
2. visit the charity's offices in London to meet the key staff;
3. receive an introductory brief by the Chief Executive explaining how CCFA supports the armed forces' chains of command to run the CCF and deliver cadet training, and how CCFA represents the interests of the civilian CFAVs who deliver that training; and,
4. for trustees with no experience of the CCF, the offer to facilitate a visit to a CCF contingent, either during a parade afternoon at school or annual camp.

Related parties and relationships with other organisations

The charity has trustees from 9 (2023: 10) Contingents (which are beneficiaries in the charities objects). The trustees ensure that they keep good records of who is associated with which contingent and those individuals absent themselves from any decision making that could give a real or perceived benefit to their contingent (most commonly the award of a grant). Such related party transactions are disclosed in note 10 to the accounts.

The charity shares offices and staff with a sister charity, ACCT UK. The two charities employ staff on joint contracts which are managed through ACCT UK and the staff costs relating to CCFA are recharged on a monthly basis. In addition, the Treasurer, Julia Hodgson, works for the Bank of

England which has a role in prudential regulation and she therefore takes no part in discussions or decisions relating to the charity's investment plans and portfolio.

Remuneration policy for key management personnel

The Trustees consider that they, together with the Chief Executive, the Deputy Chief Executive and the Director of Development, comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis.

All employees are jointly contracted by CCFA with our sister charity ACCT UK. Oversight of the staffing arrangements is exercised through the joint ACCT UK and CCFA HR and Remunerations Committee as described above.

Statement of responsibilities of the trustees

The trustees (who are also directors of the CCFA for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware

Combined Cadet Force Association

Trustees' annual report

For the year ended 31 March 2024

- 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 corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2024 was 342 (2023: 173). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue to act in that capacity.

The trustees' annual report has been approved by the trustees on 6 December 2024 and signed on their behalf by

Nigel Maddox CBE
Chair

Independent auditor's report

To the members of

Combined Cadet Force Association

Opinion

We have audited the financial statements of Combined Cadet Force Association (the 'charitable company') for the period ended 31 March 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

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 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 Association'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.

Independent auditor's report

To the members of

Combined Cadet Force Association

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 trustees' annual report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- The 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Independent auditor's report

To the members of

Combined Cadet Force Association

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 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 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance and compliance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;

Independent auditor's report

To the members of

Combined Cadet Force Association

- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Independent auditor's report

To the members of

Combined Cadet Force Association

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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

Date:

for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Combined Cadet Force Association

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2024

	Note	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Income from:							
Donations and legacies	2	208,843	1,357,530	1,566,373	1,176,436	-	1,176,436
Charitable activities							
Supporting cadets and volunteers	3	14,024	42,135	56,159	13,850	119,750	133,600
Investments	4	59,992	-	59,992	32,988	-	32,988
Other income		6,959	-	6,959	12,215	-	12,215
Total income		289,818	1,399,665	1,689,483	1,235,489	119,750	1,355,239
Expenditure on:							
Raising funds	5	3,902	-	3,902	600	-	600
Charitable activities							
Supporting contingents	5	273,086	1,480,766	1,753,852	819,183	1,432,686	2,251,869
Supporting cadets and volunteers	5		22,976	22,976	-	22,239	22,239
Total expenditure		276,988	1,503,742	1,780,730	819,783	1,454,925	2,274,708
Net (Expenditure)/income before net gains/(losses) on investments		12,830	(104,077)	(91,247)	415,706	(1,335,175)	(919,469)
Net gains/(losses) on investments		136,939	-	136,939	(35,454)	-	(35,454)
Net income / (expenditure) for the year		149,769	(104,077)	45,692	380,252	(1,335,175)	(954,923)
Transfers between funds	17	(8,567)	8,567	-	(595,360)	595,360	-
Net movement in funds		141,202	(95,510)	45,692	(215,108)	(739,815)	(954,923)
Reconciliation of funds:							
Total funds brought forward		1,850,072	1,709,328	3,559,400	2,065,180	2,449,143	4,514,323
Total funds carried forward		1,991,274	1,613,818	3,605,092	1,850,072	1,709,328	3,559,400

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

Combined Cadet Force Association

Balance sheet

Company no. 10445616

As at 31 March 2024

	Note	£	2024 £	£	2023 £
Fixed assets:					
Tangible assets	13		30,989		-
Investments	14		789,654		683,549
			<u>820,643</u>		<u>683,549</u>
Current assets:					
Short-term Investments	15	2,552,560		-	
Debtors	15a	17,162		20,416	
Short-term deposits		-		1,600,000	
Cash at bank and in hand		718,371		1,321,960	
			<u>3,288,093</u>	<u>2,942,376</u>	
Liabilities:					
Creditors: amounts falling due within one year	15b	(485,794)		(48,675)	
Net current assets			<u>2,802,299</u>		<u>2,893,701</u>
Total assets less current liabilities			<u>3,622,942</u>		<u>3,577,250</u>
Creditors: amounts falling due after one year	15c		(17,850)		(17,850)
Total net assets			<u>3,605,092</u>		<u>3,559,400</u>
The funds of the charity:					
Restricted income funds	17a		1,613,818		1,709,328
Unrestricted income funds:					
Designated funds:		789,654		683,549	
General funds		1,201,620		1,166,523	
Total unrestricted funds			<u>1,991,274</u>	<u>1,850,072</u>	
Total charity funds			<u>3,605,092</u>	<u>3,559,400</u>	

Approved by the trustees on 6 December 2024 and signed on their behalf by

Julia Hodgson
Treasurer

Michael Hampshire
Vice Chair

Combined Cadet Force Association

Statement of cash flows

For the year ended 31 March 2024

	Note	2024	2023
		£	£
Cash flows from operating activities			
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		45,692	(954,923)
Depreciation charge		3,675	-
(Gains)/losses on investments		(82,264)	35,454
Dividends and Interest from investments		(59,992)	(32,988)
(Gains)/losses on short-term investments		(54,675)	-
Increase/(decrease) in debtors		3,254	(17,403)
Increase/(decrease) in creditors		437,119	(12,521)
Net cash provided by/(used in) operating activities		292,809	(982,381)
Cash flows from investing activities:			
Dividends and Interest from investments		59,992	32,988
Purchase of tangible fixed assets		(34,664)	-
Movement in short term deposit		1,600,000	(649,471)
Movement in cash held in short-term investments		(1,592)	-
Purchase of investments		(27,370)	-
Purchase of short-term investments		(2,496,293)	-
Movement in cash held on Investments		3,529	(15,198)
Net cash (used in) investing activities		(896,398)	(631,681)
Change in cash and cash equivalents in the year		(603,589)	(1,614,062)
Cash and cash equivalents at the beginning of the year		1,321,960	2,936,022
Cash and cash equivalents at the end of the year		718,371	1,321,960

1 Accounting policies

a) Statutory information

Combined Cadet Force Association is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address and principal place of business is Holderness House, 51–61 Clifton Street, London, EC2A 4DW.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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 (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Key judgements that the charity has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1 Accounting policies (continued)

g) Interest and dividends receivable

Interest and dividends on funds held on deposit or in the investment portfolio is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds relate to the costs incurred by the charity in making its investment portfolio.

Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising overhead costs of the central function, is apportioned on the following basis which are an estimate of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

1 Accounting policies (continued)

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £200. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided on a straight line basis, to write down the cost of each asset to its estimated residual value over its expected useful life. The annual depreciation rates used are as follows:

Computer Equipment	25.00%
Camera Equipment	33.33%

n) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any appreciation in fair value is only recognised when realised. Dividends and Interest on investments are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments. These funds can be accessed with up to 5-days notice.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Short term deposits

Short term deposits includes cash balances that are invested in accounts and instruments with a maturity date of between 3 and 24 months.

q) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

s) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Donations	246	-	246	777	-	777
Legacies	131	-	131	-	-	-
Donated services	12,000	-	12,000	12,000	-	12,000
Ministry of Defence grant	196,466	1,357,530	1,553,996	1,163,659	-	1,163,659
	208,843	1,357,530	1,566,373	1,176,436	-	1,176,436

The Reserve Forces and Cadets Association for Greater London kindly donates office space to the CCFA. This is recognised at the estimated cost of securing suitable alternative office space. The value of the service has increased in line with the employment of new staff.

3 Income from charitable activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Supporting contingents						
Ministry of Defence grant	-	42,135	42,135	-	99,750	99,750
Supporting cadets and volunteers						
Subscriptions	14,024	-	14,024	13,850	-	13,850
Donations	-	-	-	-	20,000	20,000
Total	14,024	42,135	56,159	13,850	119,750	133,600

4 Income from investments

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Dividends	25,629	-	25,629	15,797	-	15,797
Bank interest	34,363	-	34,363	17,191	-	17,191
	59,992	-	59,992	32,988	-	32,988

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2024

5a Analysis of expenditure (current year)

	Charitable activities					2024 £	2023 £
	Raising funds £	Supporting contingents £	Supporting cadets and volunteers £	Governance costs £	Support costs £		
Staff costs (Note 8)	-	703,896	-	-	135,405	839,301	745,686
Grant making (Note 6)	-	783,739	22,976	-	-	806,715	1,447,888
Direct activity costs	-	68,810	-	-	-	68,810	11,868
Insurance	-	-	-	-	6,516	6,516	6,247
Marketing and communication	-	17,362	-	-	-	17,362	23,064
Premises costs	-	-	-	-	12,000	12,000	12,000
Audit and accountancy fees	-	-	-	20,043	-	20,043	21,133
Trustee expenses	-	-	-	641	-	641	1,258
Investment manager fees	3,902	-	-	-	-	3,902	600
Other	-	-	-	-	5,440	5,440	4,964
	3,902	1,573,807	22,976	20,684	159,361	1,780,730	2,274,708
Support costs	-	159,361	-	-	(159,361)	-	-
Governance costs	-	20,684	-	(20,684)	-	-	-
Total expenditure 2024	3,902	1,753,852	22,976	-	-	1,780,730	
Total expenditure 2023	600	2,251,869	22,239	-	-		2,274,708

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2024

5b Analysis of expenditure (prior year)

	Charitable activities					2023 £
	Raising funds £	Supporting contingents £	Supporting cadets and volunteers £	Governance costs £	Support costs £	
Staff costs (Note 8)	-	605,443	-	-	140,243	745,686
Grant making (Note 6)	-	1,425,649	22,239	-	-	1,447,888
Direct activity costs	-	11,868	-	-	-	11,868
AGM and event costs	-	-	-	-	-	-
Insurance	-	-	-	-	6,247	6,247
Marketing and advertising	-	23,064	-	-	-	23,064
Premises costs	-	-	-	-	12,000	12,000
Audit and accountancy fees	-	-	-	21,133	-	21,133
Trustee expenses	-	-	-	1,258	-	1,258
Investment manager fees	600	-	-	-	-	600
Other	-	-	-	-	4,964	4,964
	600	2,066,024	22,239	22,391	163,454	2,274,708
Support costs	-	163,454	-	-	(163,454)	-
Governance costs	-	22,391	-	(22,391)	-	-
Total expenditure 2023	600	2,251,869	22,239	-	-	2,274,708

6 Grant making

A list of the School CCF Contingents that have received grants from the CCFA is in note 19.

In addition to the amounts committed and accrued, the CCFA authorises certain grants which are subject to acceptance of the terms and conditions such as the employment of a School Staff Instructor. The total amount authorised was **£122,172** (31 March 2023: £16,528).

	2024 £	2023 £
Supporting contingents		
Contingent Growth Fund	783,739	796,997
Cadet Bursary Fund	-	13,092
CCF Equipment Fund	-	615,360
CCF Conference Fund	-	200
Supporting cadets and volunteers		
Small grants programme	22,976	22,239
At the end of the year	<u>806,715</u>	<u>1,447,888</u>

Contingent Growth Fund – grants awarded to **139** (31 March 2023: 131) CCFs in schools in year ended 31 March 2024

Cadet Bursary Fund – grants paid to **2** (31 March 2023: 5) CCFs in schools in the year ended 31 March 2024

Small Grants Programme, grants awarded to individuals in **14** (31 March 2023: 16) schools in year ended 31 March

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2024 £	2023 £
Depreciation	3,675	-
Auditor's remuneration (excluding VAT):		
Audit – current year	10,250	9,150
	<u>10,250</u>	<u>9,150</u>

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024 £	2023 £
Salaries and wages	707,464	634,474
Social security costs	70,890	64,102
Employer's contribution to defined contribution pension schemes	60,947	47,110
	839,301	745,686
	839,301	745,686

No employee earned more than £60,000 during the year (31 March 2023: nil).

The trustees consider that they, together with the Chief Executive, Deputy Chief Executive and Director of Development comprise the key management personnel of the charity. The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were **£135,405** (31 March 2023: £96,401).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (31 March 2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (31 March 2023: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling **£641** (31 March 2023: £1,258) incurred by **2** (31 March 2023: 4) members relating to attendance at meetings of the trustees.

9 Staff numbers

The full time equivalent staff carrying out work for the CCFA during the year was **22** (31 March 2023: 20).

Because the CCFA shares its back office functions with ACCT UK it has chosen to employ all staff across both charities on joint contracts. This means that the charities gain flexibility and economies in how staff support the charities. However this joint contract arrangement requires CCFA to disclose the average number of employees for the two charities combined. This is taken as a head count based on number of staff employed. During the year this was **73** (31 March 2023: 72).

10 Related party transactions

Recharges of £839,901 (31 March 2023: £745,685) were made by ACCT UK, a registered charity, which provides resources to the CCFA at cost. Of this £703,896 (31 March 2023: £605,443) is included in supporting contingents and £135,405 (31 March 2023: £140,243) is included in support costs.

On occasion grants are awarded to contingents at which trustees are adult volunteers. Decisions about who to award funds to are made by the Grants Committee. On the rare occasion a trustee's contingent has applied for a grant, that trustee will not be a party to the discussion of their contingent's application. If they sit on the Grants Committee they will leave the room for that part of the meeting.

There were no transactions of the above type in either 2024 or 2023.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2024

11 Amounts disbursed as agent

The Combined Cadet Force Association acts as an agent for members requiring insurance. Income and related disbursements are therefore excluded from the statement of financial activities. During the year, funds of £19,520 (31 March 2023: £29,397) were received, £27,734 (31 March 2023: £17,182) was expended, £Nil (31 March 2023: £nil) was receivable and £5,654 was written off as reduced income (31 March 2023: £12,215 was taken as miscellaneous income). This is in line with the charity's policy on treatment of surplus and deficit insurance receipts.

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

13 Tangible fixed assets

	Computer Equipment £	Camera Equipment £	Total £
Cost			
At the start of the year	-	-	-
Additions in year	3,210	31,454	34,664
Disposals in year	-	-	-
	<hr/>	<hr/>	<hr/>
At the end of the year	3,210	31,454	34,664
	<hr/>	<hr/>	<hr/>
Depreciation			
At the start of the year	-	-	-
Charge for the year	180	3,495	3,675
Eliminated on disposal	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value at end of year	3,030	27,959	30,989
At the start of the year	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2024

14a Listed investments

	2024 £	2023 £
Fair value at the start of the year	664,186	699,640
Additions at cost	27,370	-
Disposal proceeds	-	-
Net gain/(loss) on change in fair value	82,264	(35,454)
	<u>773,820</u>	<u>664,186</u>
Cash held by investment broker pending reinvestment	15,834	19,363
	<u>789,654</u>	<u>683,549</u>
Investments comprise:		
	2024 £	2023 £
Funds listed on the London Stock Exchange	773,821	664,186
Cash held by investment broker pending re-investment	15,834	19,363
	<u>789,655</u>	<u>683,549</u>

14b Short-term Investments

	2024 £	2023 £
Fair value at the start of the year	-	-
Additions at cost	2,496,293	-
Net gain/(loss) on change in fair value	54,675	-
	<u>2,550,968</u>	<u>-</u>
Cash held by investment broker pending reinvestment	1,592	-
Fair Value at the end of the year	<u>2,552,560</u>	<u>-</u>
	2024 £	2023 £
Funds listed on the London Stock Exchange	2,550,968	-
Cash held by investment broker pending re-investment	1,592	-
	<u>2,552,560</u>	<u>-</u>

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2024

15a Debtors

	2024 £	2023 £
Prepayments	17,162	20,416
	<u>17,162</u>	<u>20,416</u>

15b Creditors: amounts falling due within one year

	2024 £	2023 £
Grants payable	-	39,128
Trade Creditors	19,234	792
Accruals	16,560	8,755
Deferred income	450,000	-
	<u>485,794</u>	<u>48,675</u>

15c Creditors: amounts falling due after one year

	2024 £	2023 £
Grants payable – due in 2–5 years	17,850	17,850
	<u>17,850</u>	<u>17,850</u>

16a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	30,989	-	-	30,989
Investments	-	789,654	-	789,654
Net current assets	1,188,483	-	1,613,817	2,802,300
Long term liabilities	(17,850)	-	-	(17,850)
Net assets at 31 March 2024	<u>1,201,622</u>	<u>789,654</u>	<u>1,613,817</u>	<u>3,605,093</u>

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2024

16b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Investments	-	683,549	-	683,549
Net current assets	1,184,373	-	1,709,328	2,893,701
Long term liabilities	(17,850)	-	-	(17,850)
Net assets at 31 March 2023	1,166,523	683,549	1,709,328	3,559,400

17a Movements in funds (current year)

	At 1 April 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2024 £
Restricted funds:					
Cadet Bursary Fund	76,266	-	-	(76,266)	-
Donor Fund (Small Grants)	18,897	-	(22,975)	8,567	4,489
CCF Conference Fund	3,265	-	(3,804)	539	-
CCF Marketing Fund	76,686	42,134	(38,046)	-	80,774
CCF Support Fund	-	1,357,530	(693,224)	(539)	663,767
Contingent Growth Fund	1,534,214	-	(745,693)	76,266	864,787
Total restricted funds	1,709,328	1,399,664	(1,503,742)	8,567	1,613,817
Unrestricted funds:					
Designated funds:					
Grant Generation Fund	683,549	106,555	(450)	-	789,654
Total designated funds	683,549	106,555	(450)	-	789,654
General funds	1,166,523	320,201	(276,536)	(8,567)	1,201,621
Total unrestricted funds	1,850,072	426,756	(276,986)	(8,567)	1,991,275
Total funds	3,559,400	1,826,420	(1,780,728)		3,605,092

The narrative to explain the purpose of each fund is given at the foot of the note below.

17b Movements in funds (prior year)

	At 1 April 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2023 £
Restricted funds:					
Cadet Bursary Fund	89,357	-	(13,091)	-	76,266
Donor Fund (Small Grants)	21,136	20,000	(22,239)	-	18,897
CCF Conference Fund	3,465	-	(200)	-	3,265
CCF Equipment Fund	20,000	-	(615,360)	595,360	-
CCF Marketing Fund	-	99,750	(23,064)	-	76,686
Contingent Growth Fund	2,315,185	-	(780,971)	-	1,534,214
Total restricted funds	2,449,143	119,750	(1,454,925)	595,360	1,709,328
Unrestricted funds:					
Designated funds:					
Grant Generation Fund	703,805	15,798	(600)	(35,454)	683,549
Total designated funds	703,805	15,798	(600)	(35,454)	683,549
General funds	1,361,375	1,219,691	(854,637)	(559,906)	1,166,523
Total unrestricted funds	2,065,180	1,235,489	(855,237)	(595,360)	1,850,072
Total funds	4,514,323	1,355,239	(2,310,162)	-	3,559,400

Purposes of restricted funds

Donor Fund – this is to be used to support individual cadets to access the full cadet experience unhindered by the vagaries of personal circumstance.

CCF Support Fund – this fund is used to provide supporting services to CCF Contingents. It includes support in mentoring and training the volunteers to be better able to manage their existing cohort of cadets and preparing the contingent to take on more young people in the future.

Contingent Growth Fund – these funds are intended to help CCF contingents to cater for a larger number of young people so that more young people can take part in CCF activities each year.

Cadet Bursary Fund – this was used to support the set up costs of new CCF Contingents in state schools. Once the focus of cadet expansion switched to growing the number of young people within existing contingents, we have agreed with the funder that the balance be transferred to the Contingent Growth Fund. The fund is now closed.

CCF Conference Fund – this was to be used to support CCF conferences and events. The fund is now closed.

CCF Equipment Fund – this was to be used to purchase equipment in support of the CCF. The fund is now closed.

Purposes of designated funds

Grant Generation Fund – these are funds set aside by the trustees and treated in the same way as an endowment in order to generate funds that can be used in CCFA's grant programmes.

18 **Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

19 School CCF Contingents that have received grants from the CCFA for the year ended 31 March 2024

ABINGDON SCHOOL	LANCING COLLEGE
AKS LYTHAM INDEPENDENT SCHOOL	LANGLEY SCHOOL
ALLEYN'S SCHOOL	LARNE HIGH SCHOOL
ALTON SCHOOL	LAURELHILL COMMUNITY COLLEGE
AMPLEFORTH COLLEGE	LIPSON COOPERATIVE ACADEMY
ARK ALEXANDRA ACADEMY	LISNAGARVEY HIGH SCHOOL
ARNOLD HILL SPENCER ACADEMY	LODGE PARK ACADEMY
ASH MANOR SCHOOL	LOUGHBOROUGH GRAMMAR SCHOOL
ASKHAM BRYAN COLLEGE	MAGNUS CHURCH OF ENGLAND ACADEMY
ASTOR SECONDARY SCHOOL	MALVERN COLLEGE
BAY LEADERSHIP ACADEMY	MERCHANT TAYLORS' SCHOOLS CROSBY
BEDE ACADEMY	MONTSAYE ACADEMY
BISHOP HEBER HIGH SCHOOL	MYDDELTON COLLEGE
BRADFIELD COLLEGE	NEWCASTLE UNDER LYME SCHOOL
BRIDGWATER AND TAUNTON COLLEGE	NOTTINGHAM HIGH SCHOOL
CHESTERFIELD HIGH SCHOOL	OAKHAM SCHOOL
CHURCHER'S COLLEGE	OASIS ACADEMY BRISLINGTON
CITY OF DERBY ACADEMY	OLD SWINFORD HOSPITAL
CLAYESMORE SCHOOL	ORMISTON HORIZON ACADEMY
CO-OP ACADEMY WALKDEN	OUNDLE SCHOOL
CORBYS BUSINESS ACADEMY	OUTWOOD GRANGE ACADEMY
DAME ELIZABETH CADBURY SCHOOL	PANGBOURNE COLLEGE
DENSTONE COLLEGE	PARK VIEW SCHOOL
DOLLAR ACADEMY	PENISTONE GRAMMAR SCHOOL
DOVER GRAMMAR SCHOOL	PRIORY INTEGRATED COLLEGE
DUKE OF YORK'S ROYAL MILITARY SCHOOL	PRIORY RUSKIN ACADEMY
EAST NORFOLK SIXTH FORM COLLEGE	Q3 ACADEMY LANGLEY
EFFINGHAM SCHOOLS TRUST	Q3 ACADEMY TIPTON
ENERGY COAST UTC	QUEEN ELIZABETH SIXTH FORM COLLEGE
EPSOM COLLEGE	QUEEN ETHELBURGA'S COLLEGIATE
ERNEST BEVIN ACADEMY	QUEEN VICTORIA SCHOOL
ETONE COLLEGE	RADLEY COLLEGE
FIR VALE SCHOOL	RATCLIFFE COLLEGE
FOYLE COLLEGE	READ SCHOOL
GEORGE HERIOT'S SCHOOL	REIGATE GRAMMAR SCHOOL
GIGGLESWICK SCHOOL	ROUNDHAY SCHOOL
GORDON'S SCHOOL	ROYAL GRAMMAR SCHOOL NEWCASTLE
GOSPEL OAK SCHOOL	ROYAL HOSPITAL SCHOOL
HABERDASHER'S BOYS' SCHOOL	ROYTON AND CROMPTON ACADEMY
HAILEYBURY COLLEGE	RUGBY SCHOOL
HAILEYBURY TURNFORD SCHOOL	SANDBACH SCHOOL
HAVANT AND SOUTH DOWNS COLLEGE	SEXEY'S SCHOOL, BRUTON
HAVEN HIGH ACADEMY	SHERBORNE SCHOOL
HAYESFIELD GIRLS' SCHOOL	SMALL HEATH LEADERSHIP ACADEMY
HELE'S SCHOOL	SOUTHFIELD SCHOOL KETTERING
IPSWICH SCHOOL	SOUTHMOOR ACADEMY
KENTON SCHOOL	ST. BARTHOLOMEW'S SCHOOL
KETTERING BUCCLEUCH ACADEMY	ST. CATHERINE'S COLLEGE
KILKEEL HIGH SCHOOL	ST. COLUMBA'S COLLEGE
KING EDWARD VI GRAMMAR SCHOOL, LOUTH	ST. EDWARD'S SCHOOL, OXFORD
KING WILLIAM'S COLLEGE	ST. JOHN'S SCHOOL LEATHERHEAD
KING'S LEADERSHIP ACADEMY LIVERPOOL	ST. MARY'S COLLEGE
KING'S SCHOOL WORCESTER	ST. PETER'S SCHOOL, YORK
LADY ELEANOR HOLLES SCHOOL	STAMFORD SCHOOLS

19 School CCF Contingents that have received grants from the CCFA for the year ended 31 March 2024 (continued)

STAMFORD WELLAND ACADEMY	TONBRIDGE SCHOOL
STRATHALLAN SCHOOL	TORQUAY ACADEMY
SUTTON VALENCE SCHOOL	TRINITY SCHOOL, CROYDON
THE BELVEDERE ACADEMY	TUDOR GRANGE ACADEMY WORCESTER
THE COTSWOLD SCHOOL	TUNBRIDGE WELLS GIRLS' GRAMMAR SCHOOL
THE DUSTON SCHOOL	UPPINGHAM SCHOOL
THE FOLKESTONE SCHOOL FOR GIRLS	UTC READING
THE GILBERD SCHOOL	VICTORIA COLLEGE BELFAST
THE GLASGOW ACADEMY	WALKER RIVERSIDE ACADEMY
THE KING'S SCHOOL CANTERBURY	WARMINSTER SCHOOL
THE PHOENIX COLLEGIATE	WELLACRE ACADEMY
THE PRIORY ACADEMY LSST	WELLINGBOROUGH SCHOOL
THE ROYAL GRAMMAR SCHOOL, GUILDFORD	WESTBOURNE ACADEMY
THE ROYAL SCHOOL WOLVERHAMPTON	WODENSBOROUGH ORMISTON ACADEMY
THE SAMWORTH CHURCH ACADEMY	WOLSINGHAM SCHOOL
THE SKINNERS' SCHOOL	WREKIN COLLEGE
THE ST. LAWRENCE ACADEMY	
THISTLEY HOUGH ACADEMY	
THOMAS HARDYE SCHOOL	

COMBINED CADET FORCE ASSOCIATION

England & Wales - Charity number 1170994

Accounts

Company number: 10445616
Charity Number: 1170994
Scottish Charity Number: SC048021



Combined Cadet Force Association

The Charity Supporting Cadets in Schools

Report and financial statements
For the year ended 31 March 2023

Combined Cadet Force Association

Contents

For the year ended 31 March 2023

Reference and administrative information	1
Trustees' annual report	3
Independent auditor's report	15
Statement of financial activities (incorporating an income and expenditure account)	20
Balance sheet	21
Statement of cash flows	22
Notes to the financial statements	25

Combined Cadet Force Association

Reference and administrative information

For the year ended 31 March 2023

Company number	10445616	
Country of incorporation	United Kingdom	
Charity number	1170994	SC048021
Country of registration	England & Wales	Scotland
Registered office and operational address	Holderness House 51–61 Clifton Street London EC2A 4DW	
President	Vice Admiral PD Hudson CB CBE	
Trustees	Trustees, who are also directors under company law, who served during the period and up to the date of this report were as follows:	
	Nigel Maddox CBE	Chair
	Michael Hampshire *^	Vice Chair
	Julia Hodgson *~	Treasurer
	Scott Benest	
	Miles Blackford	(resigned 20 Dec 22)
	Jonathan Bleakley	
	Susan Bonell OBE *^	(appointed 8 Sep 22)
	Fiona Chapman ^	
	Simon Davies	
	Michael Hamid ^	
	Alexander Hudson	
	Peter Hudson CB CBE	(resigned 24 Jan 23)
	Caroline Hutton–Stott	(appointed 24 Jan 23)
	Alison Martin	(resigned 19 Oct 22)
	Simon McMenemy *~	
	Daniel Montgomery ^	
	Geraldine Poulet–Bowden	
	Miles Ripley ^	
	Christopher Thompson	
	Nigel Woodall	(resigned 20 Jul 22)

* denotes membership of the Finance and Compliance Committee

^ denotes membership of the Grants Committee

~ denotes membership of the HR and Remuneration Committee

Combined Cadet Force Association

Reference and administrative information

For the year ended 31 March 2023

Key management personnel	Murdo Urquhart OBE Richard Walton Faye Meakin	Chief Executive Deputy Chief Executive Director of Development
Bankers	Lloyds Bank plc Butler Place London SW1H 0PR	
Investment managers	Waverton Investment Management 16 Babmaes Street London SW1Y 6AH	
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane London EC1Y 0TL	

Combined Cadet Force Association

Trustees' annual report

For the year ended 31 March 2023

The trustees present their report and the audited financial statements for the year ended 31 March 2023.

Reference and administrative information set out on page 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The Combined Cadet Force Association (CCFA) has three charitable objects:

- To develop the physical, mental, spiritual, moral and cultural capacity of young persons, and an understanding of personal values, through education in the context of adventurous and military style training, so that they may grow to full maturity as individuals and members of society;
- To cultivate confidence, teamwork, judgement and powers of communication so that their conditions of life may be improved;
- To promote the efficiency of the Combined Cadet Force through fostering cadet activity and advancing the youth leadership abilities of Cadet Force Adult Volunteers.

In 2022 the trustees conducted a deeper review of the charity and its objects to define what CCFA is now and what it does. The review concluded that the charity is needed and that its objects are sound, confirming that CCFA is the charity supporting cadets in schools.

The review also confirmed that the principal way the charity delivers on its objectives is through charitable grant giving, particularly the first and second objectives. These grants enable access to activities that will educate, develop and broaden the interests of the 55,670 young people who are cadets in the Combined Cadet Force (CCF). These young people are involved in one of 444 school-based CCF Contingents across the whole of the UK. CCFA looks to enhance their development by the making of grants to support both contingents and individual cadets, enabling them to take part in a wide range of activities. Other grants help contingents to improve their resilience and so ensure they are able to deliver development opportunities to young people for many years to come.

Aside from grant giving, CCFA delivers on its objectives by supporting the CCF in other ways. It provides membership support services in the interests of the entire CCF, such as the provision of insurance cover against accidents, travel difficulties and to provide legal advice and assistance. It contributes to the delivery of training and development courses for CCF adult volunteers. It seeks

national non-state recognition for CCF cadets and adult volunteers who used their CCF training to save lives and display remarkable citizenship.

CCFA is recognised by the Ministry of Defence, single service cadet force headquarters and the Department for Education (England) as a key supporting partner. Thus, although the charity has no executive role in the running of the CCF, which is the responsibility of the MOD and single services in partnership with schools, it is part of the national framework steering the CCF and its activities. The Chair and Chief Executive attend high level MOD steering group meetings. Also, through these connections, the charity provides another forum for the MOD, single services and schools to exchange views. This close relationship is such that, as a trusted partner, in 2022 CCFA secured £846k of funding from the Army to employ Contingent Support Officers across the UK. Their role is to be responsible for supporting the growth and sustainment of CCF contingents across the United Kingdom. This arrangement is governed by a Memorandum of Understanding signed by the Army's Regional Command and CCFA, which was finalised in June 2023.

Achievements and performance

This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help.

The enduring priority for the charity's trustees is to ensure that young people are able to develop through membership of the CCF. This means a focus on some key areas:

- Supporting struggling CCF contingents in order to prevent them from closing.
- Removing barriers, such as cost, to individual cadet participation in CCF activities.
- Advocating for the CCF to key influencers in order that the benefits of CCF membership are widely understood and well supported.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

The charity's main activities and who it tries to help are described below. All its charitable activities focus on the cadets, volunteers and contingents of the CCF and are undertaken to further the CCFA's charitable purposes for the public benefit.

Grant Programmes

The charity primarily furthers its objects through the awarding of grants to individual cadets, or to CCF contingents. It runs two main grant programmes: the Small Grants Programme and the Contingent Growth Fund. Two closed grant programmes: the Cadet Bursary Fund, and the CCF Sustainability Fund are no longer making new grants but continue to make grant payments agreed in the past and other incidental grant programmes, such as for equipment, run from time to time as funds are available. £76k remains in the Cadet Bursary Fund to enable the charity to pay

anticipated grants as grant conditions are met. The remaining restricted funds which were given to CCFA for use in the Cadet Bursary Fund were released (with the kind permission of the MoD) to further other activities of the charity. The charity makes grants on the following basis:

- Small Grants Programme. The Grants Committee considers grants on a rolling basis. Individual grants up to a normal maximum of £300 are awarded to support a cadet to take part in a CCF activity they would otherwise be unable to afford and place great importance on the personal circumstances of the participant demonstrating a need for charitable support. Group Activity Grants up to a normal maximum of £750 are awarded to CCF Contingents on a yearly basis in support of activities which would not ordinarily be funded by the Chain of Command, both at regional and national level. Whilst usually an annual occurrence, thanks to a donation received during the year, a second round of applications was held for the Group Activity Grants. Applications for both are made on forms which are circulated to all CCF Contingents and the applications are considered by a committee of CCFA trustees. Grants are awarded with a requirement to report on the use of the grant within an agreed period of time.
- Contingent Growth Fund. With the conclusion of the second phase of the Cadet Expansion Programme (CEP) and the stated ambition of the Government to increase the number of young people involved in each CCF Contingent, the trustees established the Contingent Growth Fund to support CEP Phase three. Applications are invited at regular intervals throughout the year. This fund seeks to fund initiatives aimed at improving the recruitment and retention of young people in CCF Contingents.

The performance of the charity's grant programmes in the year was:

- Small Grants Programme. Since 2013 CCFA has committed to make up to £25,000 worth of small grants per annum. The charity normally makes grants each year to individual young people in the CCF and, since 2019, to groups of young people in a single CCF Contingent. This year the total grants made were £22,239 (2022 – £9,039).
- Contingent Growth Fund. This fund aims to help schools to increase the number of cadets in their CCFs. The fund opened to applications in February 2022 and this year 136 grants totalling £796,997 (2022 – £50,000) were made. Applications will continue to be received at regular intervals over the next year.

Beneficiaries of our services

The main way in which the charity delivers benefit to its beneficiaries is through the provision of grants. As explained earlier in the report grants are made either to support the contingent and its ability to deliver the cadet programme, or to individual cadets to enable them to access the full range of opportunities in their contingent.

In order to measure the difference that these grants have made the trustees ask for reports from grant recipients. These detail the impact of the grant and are used to help the trustees to decide both what funding to bid for and how best to structure the charity's grant programmes in the future.

Trustees' annual report

For the year ended 31 March 2023

Some examples of the impact on the beneficiaries detailed in the last section of this report include:

Through the Contingent Growth Fund, Barr Beacon School CCF received funding to redevelop a large area of woodland on the school site so that it could be used for fieldcraft training by the cadets. The project has allowed cadets to expand their knowledge of fieldcraft whilst also providing an opportunity to train and learn syllabus within the school ground all year round for free. With an inherently low Pupil Premium community within the school, since the project was completed, they have had an increase of disadvantaged students enrolling into the CCF. Cadet Ryan Hegney said *"I think that the woods have gave the cadets a good experience and a great chance for cadets to learn easier. It has made it quicker for the younger cadets to learn and understand what we do in cadets. The woods are now a vital part of our cadets and have improved the whole cadet's experience."*

Thanks to the Small Grants Fund Cadet Chief Petty Officer Grace Williams from Trinity School CCF (RN) was able to attend a National Pool Lifeguard Qualification (NPLQ) Course. As a scholarship student, the grant was vital in enabling to her to access this training, which she has been putting to great use. She told us *"The course was intensive with both pool sessions and classroom activities such as First Aid but I really enjoyed pushing myself to achieve the swimming and rescue times and am very proud to say that I passed the whole course. Already in the summer term I have acted as a lifeguard for CCF activities in the school pool. During the summer holidays I have a lifeguarding job locally in Devon and through this I will achieve some of the continuing professional development that I need to maintain my qualification. I would like to thank the CCFA very much for the very generous grant."*

Kettering Buccleuch Academy CCF used their Group Activity Grant to challenge and develop their senior cadets with sport parachuting. As a school in a deprived and low-aspirational catchment, the CCF is currently 28% Pupil Premium / Free School Meals. Funds are therefore carefully managed to enable access to the CCFA but there are often not sufficient available to develop their exceptional young leaders. Through this grant eight senior cadets from Year 11 and Sixth Form faced a personal challenge and team building to achieve a 4,200 feet jump! Oscar told us *"the grant has enabled me to undertake yet another life changing opportunity which has massively helped shape my life over my 5 years in cadets, the parachuting opportunity was one of the greatest experiences in cadets as well as my life. I cannot thank everyone enough for working so hard to allow me this amazing opportunity which has massively increased my confidence for every part of my life."*

Financial review

The statement of financial activities for the period is set out on page 19 of the financial statements. A summary of the financial results and the work by the charity is set out below.

Income for the year ended 31 March 2023 included donations and legacies of £1,176,436 (2022 – £2,035,227), income for supporting cadets and volunteers of £133,600 (2022– £97,612) and

Combined Cadet Force Association

Trustees' annual report

For the year ended 31 March 2023

investment income and interest of £32,988 (2022– £13,295). Total gross income amounted to £1,355,239 (2022– £2,155,526).

Expenditure for the period comprised costs of raising funds of £600 (2022– £600), costs of activities in support of contingents of £2,251,869 (2022– £523,716) which reflects the planned expenditure against grant programmes and costs of supporting cadets and volunteers of £22,239 (2022– £9,039). Total expenditure amounted to £2,274,708 (2022– £533,355).

Net expenditure for the year before investment movements amounted to £954,923 (2022 – net income of £1,622,171).

The trustees expect the charity to exist in perpetuity and its investment policy is designed to support the long-term financial health of the charity. The charity adopted the current investment policy in February 2023; its stated objectives are to:

- Produce the best financial return within an acceptable level of risk.
- Generate a return of CPI plus 3% per annum over the medium term (defined as a six-year average), after expenses.

The charity has adopted a total return approach to investment, generating the investment return from income and capital gains or losses. It is expected that if in any one year the total return is insufficient to meet the growth target, in the long term the real value of the investments will still grow in accordance with the investment objectives above.

The charity has decided not to invest in assets that the trustees consider to be contrary to the spirit of its objects. In particular tobacco, alcohol and pornography are to be excluded from our investments. The trustees have agreed a process with our investment managers as to how these restrictions are to be applied.

During the year net losses on the fair value of investments amounted to £35,454 (2022– net gains of £45,442). The investment objective is to generate a return of CPI plus 3% per annum over the medium term (six years). The six-year average (CPI + 3%) to the end of Mar 2023 has been calculated as 5.65%. This compares to a five reporting-period average return of 6.17% in the portfolio since the move of investment managers. The trustees recognise that a five reporting-period average is a shorter period than the six-year average that is the benchmark and are satisfied with the investment performance in the year.

In order to support the efficient delivery of our grant programmes and to efficiently manage cash flow, the trustees have directed that funds earmarked for grant making are to be held in cash deposit accounts of no more than 24 months in duration. At the end of March 2023 the funds held on short term deposit were £1,600,000 (2022: £950,529) and the funds held in the investment portfolio were £683,549 (2022: £703,805).

Principal risks and uncertainties

The trustees examine the major risks that the charity faces each financial year during routine board meetings and in meetings between the senior trustees and the Chief Executive. The charity has systems in place to monitor and control these risks to mitigate any impact that they may have on the charity's activities in the future.

The key risks for the charity, as identified by the trustees, are described below together with the principal way in which they are mitigated:

- Risk of failing to deliver fully on the charitable objects because CCFA's beneficiaries (principally CCF contingents) are not aware of the charity that exists to support them. Communicating with the beneficiaries is not straightforward, therefore the charity uses a variety of effective channels of communication to spread the word about the support that the charity can provide.
- Risk of failing to sustain major grant programmes. The charity is keen to support the Government's ambition to increase the number of cadets in schools and is conscious that many new CCF contingents formed under the Cadet Expansion Programme need financial support to become established, whilst some legacy CCF contingents are struggling to survive. The charity's Contingent Growth Fund currently meets that need, but the funds available are finite and diminishing. If the fund is not topped up, the charity will have to close the fund when it is spent with the potential risk that some of its beneficiaries, CCF contingents, will have to close. The charity is therefore seeking to raise additional funds in the hope of ensuring that the Contingent Growth Fund can continue.
- Governance Risk. The success of the CCFA's programme of work depends on good governance. The trustees seek to ensure this by: having appropriate recruitment and appointment processes; regular reviews of the board's structure, competence and diversity; holding appropriate insurance to protect trustees; and ensuring trustees retire at a rate of approximately a third each year.

Reserves policy and going concern

The CCFA adopted the current Reserves Policy in December 2019. The purpose of the policy is to ensure the ongoing operations of the charity are protected in the event of a sudden decline in the financial health of the charity. The reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The reserve may also be used for one-time, non-recurring expenses that will build long-term capacity, such as staff development or investment in infrastructure.

The reserve is defined as unrestricted funding that has not been designated for a specific purpose. The reserve will be an amount sufficient to maintain ongoing operations and programs for three to six months. The reserve will be reviewed and adjusted in response to internal and external changes.

Combined Cadet Force Association

Trustees' annual report

For the year ended 31 March 2023

The target reserve fund is equal to between 3 and 6 months of operating costs and is calculated at the start of the year based on the budget. This year the reserves target was calculated as between £427,132 and £854,264 (2022 – £111,247 to £222,494) which reflected the planned increase in budgeted expenditure for the year.

From time to time the trustees might choose to designate funds for long term investment to realise an income that can be used to further the charity's objects. These funds will not be counted as part of the charity's free reserves.

Actual free reserves in 2023 were £1,166,523 (2022: £1,361,375).

This means that free reserves are approximately £312,259, or 37% greater than the target reserves (2022 – £825k, or 61% greater). The trustees recognise that the reserves look very healthy and have plans to spend further funds in the coming year to bring the reserves to within the target level.

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Fundraising

The charity's approach to fundraising activity is to seek grants from organisations in order to achieve a particular aim, for example to support the growth of cadet numbers in existing CCF contingents. Where an individual or group with an interest in the cadet movement would like to support cadets, we invite them to donate to the CCFA. We also offer the facility for individuals to make one off or repeat donations online and offer membership of the CCFA to repeat individual donors or CCF Contingents.

At present the charity is not a member of the Fundraising Regulator because it does not engage in the kind of fundraising activity that would make this a requirement. This position was reviewed this year with no change, and will be reviewed annually.

We do not contact our members or supporters to solicit donations, although this is something we might consider doing should we have a specific fundraising objective in the future. We have received no complaints about fundraising.

Plans for the future

The charity is midway through a considered programme of evolution. Having completed the deep review in 2022 of what CCFA is and does, in 2023 the trustees have started to think about the charity's name and brand image, to see if they are fit for the contemporary world, including whether they are helpful when seeking to raise new funds. This is strategic work and will take time and, if any fundamental changes are proposed, they are unlikely to take effect before 2025.

Whilst the charity itself is financially secure, the trustees remain concerned about the viability of many of the CCF contingents (the charity's beneficiaries), not just those formed under the Cadet Expansion Programme, but also long-established legacy contingents. A number of them are struggling for a variety of reasons outside CCFA's control, but additional financial support could make the difference, therefore the ambition of the trustees is to maintain existing grant programmes to support these contingents. Efforts will be made to find new donors to top up the Contingent Growth Fund.

The charity's Small Grants Programme remains sound and secure, for which the trustees remain enormously grateful to Mr Gareth Neame OBE for his continuing close interest and generous donations.

As stated in the section on Principal Risks and Uncertainties, communicating with CCF contingents remains a constant challenge. A concerted effort will be made in 2023 to communicate with all CCF contingents to make them aware that the CCFA is their charity and that they are its beneficiaries, and to make them further aware of the grants programmes and other benefits that CCFA can provide to support them.

In respect of Governance, the trustees are committed to reduce the number of trustees on a gradual basis over time to bring the number down to be in line with the Charity Commission's best practice guidance.

The CCFA has approached the Charity Commission for Northern Ireland and attempted to register with them as the charity operates in Northern Ireland. The commission has responded to say that they are in the process of registering charities that are not regulated by another UK charity regulator first and will contact the CCFA when they are ready to process our application.

Structure, governance and management

The CCFA is a registered charity and a company limited by guarantee, not having a share capital. The entity was incorporated on 25 October 2016 and registered as a charity with the Charity Commission for England and Wales on 5 January 2017 and the Office of the Scottish Charity Regulator on 22 December 2017. It is governed by its memorandum and articles of association which were updated in 2022 and adopted on 24 January 2023. This arrangement replaced an earlier construct of the CCFA which was constituted by a trust deed and registered with the Charity Commission in 1963 under charity number 305988. The assets of this earlier version of the CCFA

Combined Cadet Force Association

Trustees' annual report

For the year ended 31 March 2023

were transferred to the new construct which was duly re-registered with the Charity Commission under charity number 1170994.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

The part time Chief Executive of the charity is Colonel (Retired) Murdo Urquhart OBE, who heads a small team of staff comprising Richard Walton, the part time Deputy Chief Executive, Faye Meakin, the part time Director of Development, and seven full-time equivalent members of staff who carry out particular functions across the UK.

The annual budget is agreed by the Finance and Compliance Committee. The senior trustees (Chair, Vice Chair, and Treasurer) are consulted by the Chief Executive on a regular basis and on all matters that are considered by him to be strategic, novel or contentious. These consultations are largely conducted by video conference, telephone and e-mail or at informal "management board" meetings.

There are a number of formal trustee meetings. The CCFA Board of Trustees meets twice per year. Amongst other papers the Board receives:

- A report from the Finance and Compliance Committee of the CCFA; including the audited financial statements of the charity. The audited financial statements are agreed and signed off at this meeting.

- An updated register of the diverse risks being managed by the charity.

The Board has two sub committees and one joint sub-committee with its sister charity, the Army Cadet Charitable Trust UK (ACCT UK). The Finance and Compliance Committee carries out the overall financial management of the charity (including agreeing the annual budget, the raising, investment and direction of funds, and the oversight of financial processes) and the regular review of the charity's governance arrangements. The Committee consists of the Treasurer, the Vice Chair, the Legal and Governance Adviser and the School Finance Adviser. It meets four times per year after the end of each financial quarter and reports at both board meetings.

The second sub-committee is the Grants Committee, chaired by the Vice Chair and including at least two other trustee members. This committee sets the overall policy for grants and makes decisions about which applications to fund. It considers applications approximately three times per year.

The Joint ACCT UK and CCFA HR and Remuneration Committee includes two CCFA trustees (the Treasurer and Legal Adviser). It exercises the trustees' responsibilities for oversight of the remuneration of the CCFA's employees. In setting the salary levels for the charity, the trustees carry out a comparison with a suitable benchmark. The HR and Remunerations Committee is tasked each year to ensure that all salaries, including those of the senior officers of the charity, are commensurate with this measure. This includes a review of the salary bands.

Appointment of trustees

Trustees are appointed for a period of three years and encouraged to serve for no more than two terms to ensure regular turnover of trustees. Where a successor cannot be found, a trustee could stand for re-election and there is no restriction in the articles on the number of times an individual can stand for re-election.

Trustees are considered to be one of two "types" (with identical rights and obligations). The first type is a serving CCF Contingent Commander who is elected to be a General Trustee representing the CCF Contingents. The second type of trustee is a Specialist Trustee, usually someone with little or no knowledge of the CCF but who is recruited to bring particular skills to the board in order to improve the ability of the trustees to govern the charity and help the board mitigate the principal risks facing the charity.

The process for identifying new trustees is twofold. In the case of representative contingent commanders, who represent the interests of the beneficiaries, when replacements are required, care is taken to ensure that volunteers represent a fair balance of: state and independent schools; and Royal Navy, Army and RAF contingents. In the case of trustees with specialist knowledge and experience, any means will be used to find the right person.

If a trustee is appointed during the year, they are co-opted by the trustees and then formally elected at the next AGM for a period of three years.

Trustee induction and training

There are four parts to trustees' induction. They:

1. are provided with a pack of information about CCFA;
2. visit the charity's offices in London to meet the key staff;
3. receive an introductory brief by the Chief Executive explaining how CCFA supports the armed forces' chains of command to run the CCF and deliver cadet training, and how CCFA represents the interests of the civilian CFAVs who deliver that training; and,
4. for trustees with no experience of the CCF, the offer to facilitate a visit to a CCF contingent, either during a parade afternoon at school or annual camp.

Related parties and relationships with other organisations

The charity has relationships with all CCF Contingents and officers from 10 (2022: 11) contingents which are trustees of the CCFA. The trustees ensure that they keep good records of who is associated with which contingent and those individuals absent themselves from any decision making that could give a real or perceived benefit to their contingent (most commonly the award of a grant). Such related party transactions are disclosed in note 10 to the accounts.

The charity shared offices and staff with a sister charity, ACCT UK (charity number: 305962). The two charities employ staff on joint contracts which are managed through ACCT UK and the staff

costs relating to CCFA are recharged on a monthly basis. In addition, the Treasurer, Julia Hodgson, works for the Bank of England which has a role in prudential regulation and she therefore takes no part in discussions or decisions relating to the charity's investment plans and portfolio.

Remuneration policy for key management personnel

The Trustees consider that they together with the Chief Executive, the Deputy Chief Executive and the Director of Development comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis.

All employees are jointly contracted by CCFA with our sister charity ACCT UK. Oversight of the staffing arrangements is exercised through the joint ACCT UK and CCFA HR and Remunerations Committee as described above.

Statement of responsibilities of the trustees

The trustees (who are also directors of the CCFA for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- 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

Combined Cadet Force Association

Trustees' annual report

For the year ended 31 March 2023

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2023 was 173 (2022: 278). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue to act in that capacity.

The trustees' annual report has been approved by the trustees on 26 September 2023 and signed on their behalf by

Nigel Maddox CBE
Chair

Independent auditor's report

To the members of

Combined Cadet Force Association

Opinion

We have audited the financial statements of Combined Cadet Force Association (the 'charitable company') for the period ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

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 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 Association'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.

Independent auditor's report

To the members of

Combined Cadet Force Association

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 trustees' annual report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- The 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Independent auditor's report

To the members of

Combined Cadet Force Association

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 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 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance and compliance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;

Independent auditor's report

To the members of

Combined Cadet Force Association

- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Independent auditor's report

To the members of

Combined Cadet Force Association

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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

Date: 3 October 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Combined Cadet Force Association

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2023

	Note	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Income from:							
Donations and legacies	2	1,176,436	-	1,176,436	1,189,227	846,000	2,035,227
Charitable activities							
Supporting cadets and volunteers	3	13,850	119,750	133,600	11,912	85,700	97,612
Investments	4	32,988	-	32,988	13,295	-	13,295
Other income		12,215	-	12,215	9,392	-	9,392
Total income		1,235,489	119,750	1,355,239	1,223,826	931,700	2,155,526
Expenditure on:							
Raising funds	5	600	-	600	600	-	600
Charitable activities							
Supporting contingents	5	819,183	1,432,686	2,251,869	309,309	214,407	523,716
Supporting cadets and volunteers	5	-	22,239	22,239	-	9,039	9,039
Total expenditure		819,783	1,454,925	2,274,708	309,909	223,446	533,355
Net income/(expenditure) before net (losses)/gains on investments		415,706	(1,335,175)	(919,469)	913,917	708,254	1,622,171
Net (losses)/gains on investments	13	(35,454)	-	(35,454)	45,442	-	45,442
Net income / (expenditure) for the year		380,252	(1,335,175)	(954,923)	959,359	708,254	1,667,613
Transfers between funds	17	(595,360)	595,360	-	(1,583,246)	1,583,246	-
Net movement in funds		(215,108)	(739,815)	(954,923)	(623,887)	2,291,500	1,667,613
Reconciliation of funds:							
Total funds brought forward		2,065,180	2,449,143	4,514,323	2,689,067	157,643	2,846,710
Total funds carried forward		1,850,072	1,709,328	3,559,400	2,065,180	2,449,143	4,514,323

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

Combined Cadet Force Association

Balance sheet

Company no. 10445616

As at 31 March 2023

	Note	£	2023 £	£	2022 £
Fixed assets:					
Investments	13		683,549		703,805
			683,549		703,805
Current assets:					
Debtors	14	20,416		3,013	
Short term deposits		1,600,000		950,529	
Cash at bank and in hand		1,321,960		2,936,022	
			2,942,376	3,889,564	
Liabilities:					
Creditors: amounts falling due within one year	15a	(48,675)		(38,096)	
Net current assets			2,893,701		3,851,468
Total assets less current liabilities			3,577,250		4,555,273
Creditors: amounts falling due after one year	15b		(17,850)		(40,950)
Total net assets			3,559,400		4,514,323
The funds of the charity:	17a				
Restricted income funds			1,709,328		2,449,143
Unrestricted income funds:					
Designated funds:		683,549		703,805	
General funds		1,166,523		1,361,375	
Total unrestricted funds			1,850,072		2,065,180
Total charity funds			3,559,400		4,514,323

Approved by the trustees on 26 September 2023 and signed on their behalf by

Julia Hodgson
Treasurer

Michael Hampshire
Vice Chair

Combined Cadet Force Association

Statement of cash flows

For the year ended 31 March 2023

	Note	2023 £	£	2022 £	£
Cash flows from operating activities					
Net (expenditure)/income for the reporting period (as per the statement of financial activities)		(954,923)		1,667,613	
Losses/(gains) on investments		35,454		(45,442)	
Dividends and interest from investments		(32,988)		(13,295)	
Increase in debtors		(17,403)		(477)	
Decrease in creditors		(12,521)		(1,306)	
Net cash (used in)/provided by operating activities		(982,381)		1,607,093	
Cash flows from investing activities:					
Dividends, interest and rents from investments		32,988		13,295	
Movement in short term deposit		(649,471)		(350,365)	
Purchase of investments		-		(27,105)	
Movement in cash held by investment managers		(15,198)		15,012	
Net cash used in investing activities		(631,681)		(349,163)	
Change in cash and cash equivalents in the year		(1,614,062)		1,257,930	
Cash and cash equivalents at the beginning of the year		2,936,022		1,678,092	
Cash and cash equivalents at the end of the year		1,321,960		2,936,022	

1 Accounting policies

a) Statutory information

Combined Cadet Force Association is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address and principal place of business is Holderness House, 51–61 Clifton Street, London, EC2A 4DW.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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 (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Key judgements that the charity has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1 Accounting policies (continued)

g) Interest and dividends receivable

Interest and dividends on funds held on deposit or in the investment portfolio is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in making its investment portfolio.
- Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising overhead costs of the central function, is apportioned on the following basis which are an estimate of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

1 Accounting policies (continued)

n) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing #quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading “Net gains/(losses) on investments” in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 24 months.

q) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

s) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Income from donations and legacies

	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£	£	£	£	£	£
Donations	777	-	777	13	-	13
Legacies	-	-	-	684	-	684
Donated services	12,000	-	12,000	10,230	-	10,230
Ministry of Defence grant	1,163,659	-	1,163,659	1,178,300	846,000	2,024,300
	<u>1,176,436</u>	<u>-</u>	<u>1,176,436</u>	<u>1,189,227</u>	<u>846,000</u>	<u>2,035,227</u>

The Reserve Forces and Cadets Association for Greater London kindly donates office space to the CCFA. This is recognised at the estimated cost of securing suitable alternative office space. The value of the service has increased in line with the employment of new staff.

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2023

3 Income from charitable activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Supporting contingents						
Ministry of Defence grant	-	99,750	99,750	-	75,700	75,700
Supporting cadets and volunteers						
Subscriptions	13,850	-	13,850	11,912	-	11,912
Donations	-	20,000	20,000	-	10,000	10,000
Total	13,850	119,750	133,600	11,912	85,700	97,612

4 Income from investments

	2023 Total £	2022 Total £
Dividends	15,797	12,692
Bank interest	17,191	603
Total	32,988	13,295

All income from investments is unrestricted.

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2023

5a Analysis of expenditure (current year)

	Charitable activities			Governance costs £	Support costs £	2023 £	2022 £
	Raising funds £	Supporting contingents £	Supporting cadets and volunteers £				
Staff costs (Note 8)	-	605,443	-	-	140,243	745,686	307,066
Grant making (Note 6)	-	1,425,649	22,239	-	-	1,447,888	44,513
Direct activity costs	-	11,868	-	-	-	11,868	9,508
AGM and event costs	-	-	-	-	-	-	1,678
Insurance	-	-	-	-	6,247	6,247	35
Marketing and advertising	-	23,064	-	-	-	23,064	146,669
Premises costs	-	-	-	-	12,000	12,000	10,230
Audit and accountancy fees	-	-	-	21,133	-	21,133	9,770
Trustee expenses	-	-	-	1,258	-	1,258	429
Investment manager fees	600	-	-	-	-	600	600
Other	-	-	-	-	4,964	4,964	2,857
	600	2,066,024	22,239	22,391	163,454	2,274,708	533,355
Support costs	-	163,454	-	-	(163,454)	-	-
Governance costs	-	22,391	-	(22,391)	-	-	-
Total expenditure 2023	600	2,251,869	22,239	-	-	2,274,708	
Total expenditure 2022	600	523,716	9,039	-	-		533,355

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2023

5b Analysis of expenditure (prior year)

	Charitable activities					2022 £
	Raising funds £	Supporting contingents £	Supporting cadets and volunteers £	Governance costs £	Support costs £	
Staff costs (Note 8)	-	198,144	-	-	108,922	307,066
Grant making (Note 6)	-	35,474	9,039	-	-	44,513
Direct activity costs	-	9,508	-	-	-	9,508
AGM and event costs	-	1,678	-	-	-	1,678
Insurance	-	-	-	-	35	35
Marketing and advertising	-	146,669	-	-	-	146,669
Premises costs	-	-	-	-	10,230	10,230
Audit and accountancy fees	-	-	-	9,770	-	9,770
Trustee expenses	-	-	-	429	-	429
Investment manager fees	600	-	-	-	-	600
Other	-	-	-	-	2,857	2,857
	600	391,473	9,039	10,199	122,044	533,355
Support costs	-	122,044	-	-	(122,044)	-
Governance costs	-	10,199	-	(10,199)	-	-
Total expenditure 2022	600	523,716	9,039	-	-	533,355

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2023

6 Grant making

A list of the School CCF Contingents that have received grants from the CCFA is in note 19. In addition to the amounts committed and accrued, the CCFA authorises certain grants which are subject to acceptance of the terms and conditions such as the employment of a School Staff Instructor. The total amount authorised was £16,528 (31 March 2022: £40,298).

	2023 £	2022 £
Supporting contingents		
CCF Sustainability Fund	–	(14,472)
Contingent Growth Fund	796,997	50,000
Cadet Bursary Fund	13,092	(54)
CCF Equipment Fund	615,360	–
CCF Conference Fund	200	–
Supporting cadets and volunteers		
Small grants programme	22,239	9,039
At the end of the year	<u>1,447,888</u>	<u>44,513</u>

Contingent Growth Fund – grants awarded to 131 CCFs in schools in year ended 31 March 2023

Cadet Bursary Fund – grants awarded to 5 CCFs in schools in the year ended 31 March 2023

Small Grants Programme, grants awarded to individuals in 16 schools in year ended 31 March 2022.

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2023 £	2022 £
Auditor's remuneration (excluding VAT):		
Audit – current year	<u>9,150</u>	<u>8,300</u>

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	634,474	258,434
Social security costs	64,102	27,230
Employer's contribution to defined contribution pension schemes	47,110	21,402
	<u>745,686</u>	<u>307,066</u>

No employee earned more than £60,000 during the year (31 March 2022: nil).

The trustees consider that they, together with the Chief Executive and the Deputy Chief Executive comprise the key management personnel of the charity. The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £96,401 (31 March 2022: £90,559).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (31 March 2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (31 March 2022: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,258 (31 March 2022: £429) incurred by 4 (31 March 2022: 2) members relating to attendance at meetings of the trustees.

9 Staff numbers

The full time equivalent staff carrying out work for the CCFA during the year was 20 (31 March 2022: 7).

Because the CCFA shares its back office functions with ACCT UK it has chosen to employ all staff across both charities on joint contracts. This means that the charities gain flexibility and economies in how staff support the charities. However this joint contract arrangement requires CCFA to disclose the average number of employees for the two charities combined. This is taken as a head count based on number of staff employed. During the year this was 72 (31 March 2022: 53).

10 Related party transactions

Recharges of £745,685 (31 March 2022: £307,066) were made by ACCT UK, a registered charity, which provides resources to the CCFA at cost. Of this £605,443 (31 March 2022: £198,144) is included in supporting contingents and £140,243 (31 March 2022: £108,922) is included in support costs.

On occasion grants are awarded to contingents at which trustees are adult volunteers. Decisions about who to award funds to are made by the Grants Committee. On the rare occasion a trustee's contingent has applied for a grant, that trustee will not be a party to the discussion of their contingent's application. If they sit on the Grants Committee they will leave the room for that part of the meeting.

There were nil (31 March 2022: nil) transactions of the above type relating to nil (31 March 2022: nil) trustees totalling £nil (31 March 2022: £nil) during the year.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2023

11 Amounts disbursed as agent

The Combined Cadet Force Association acts as an agent for members requiring insurance. Income and related disbursements are therefore excluded from the statement of financial activities. During the year, funds of £29,397 (31 March 2022: £34,805) were received, £17,182 (31 March 2022: £25,413) was expended, £nil (31 March 2022: £nil) was receivable and £12,215 (31 March 2022: £9,392) was written off and moved to miscellaneous income. This is in line with the charity's policy on treatment of surplus and deficit insurance receipts.

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

13 Listed investments

	2023 £	2022 £
Fair value at the start of the year	699,640	627,093
Additions at cost	–	27,105
Disposal proceeds	–	–
Net (loss)/gain on change in fair value	(35,454)	45,442
	664,186	699,640
Cash held by investment broker pending reinvestment	19,363	4,165
Fair value at the end of the year	683,549	703,805

Investments comprise:

	2023 £	2022 £
Funds listed on the London Stock Exchange	664,186	699,640
Cash	19,363	4,165
	683,549	703,805

14 Debtors

	2023 £	2022 £
Prepayments	20,416	3,013
	20,416	3,013

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2023

15a Creditors: amounts falling due within one year

	2023 £	2022 £
Grants payable	39,128	13,483
Trade Creditors	792	16,541
Accruals	8,755	8,072
	<u>48,675</u>	<u>38,096</u>

15b Creditors: amounts falling due after one year

	2023 £	2022 £
Grants payable – due in 2–5 years	17,850	40,950
	<u>17,850</u>	<u>40,950</u>

16a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Investments	–	683,549	–	683,549
Net current assets	1,184,373	–	1,709,328	2,893,701
Long term liabilities	(17,850)	–	–	(17,850)
Net assets at 31 March 2023	<u>1,166,523</u>	<u>683,549</u>	<u>1,709,328</u>	<u>3,559,400</u>

16b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Investments	–	703,805	–	703,805
Net current assets	2,248,325	–	2,449,143	4,697,468
Long term liabilities	(40,950)	–	–	(40,950)
Net assets at 31 March 2022	<u>2,207,375</u>	<u>703,805</u>	<u>2,449,143</u>	<u>5,360,323</u>

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2023

17a Movements in funds (current year)

	At 1 April 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2023 £
Restricted funds:					
Cadet Bursary Fund	89,357	–	(13,091)	–	76,266
Donor Fund (Small Grants)	21,136	20,000	(22,239)	–	18,897
CCF Conference Fund	3,465	–	(200)	–	3,265
CCF Marketing Fund	–	99,750	(23,064)	–	76,686
CCF Equipment Fund	20,000	–	(615,360)	595,360	–
Contingent Growth Fund	2,315,185	–	(780,971)	–	1,534,214
Total restricted funds	2,449,143	119,750	(1,454,925)	595,360	1,709,328
Unrestricted funds:					
Designated funds:					
Grant Generation Fund	703,805	15,798	(600)	(35,454)	683,549
Total designated funds	703,805	15,798	(600)	(35,454)	683,549
General funds	1,361,375	1,219,691	(854,637)	(559,906)	1,166,523
Total unrestricted funds	2,065,180	1,235,489	(855,237)	(595,360)	1,850,072
Total funds	4,514,323	1,355,239	(2,310,162)	–	3,559,400

The narrative to explain the purpose of each fund is given at the foot of the note below.

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2023

17b Movements in funds (prior year)

	At 1 April 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
Restricted funds:					
Cadet Bursary Fund	98,472	-	(9,115)	-	89,357
Donor Fund (Small Grants)	15,175	10,000	(9,039)	5,000	21,136
CCF Conference Fund	3,465	-	-	-	3,465
CCF Equipment Fund	20,000	-	-	-	20,000
CCF Marketing Fund	20,531	75,700	(146,070)	49,839	-
Contingent Growth Fund	-	846,000	(59,222)	1,528,407	2,315,185
Total restricted funds	157,643	931,700	(223,446)	1,583,246	2,449,143
Unrestricted funds:					
Designated funds:					
CCF Sustainability Fund	23,107	-	(24,024)	917	-
Grant Generation Fund	646,270	58,135	(600)	-	703,805
Contingent Growth Fund	1,528,407	-	-	(1,528,407)	-
Total designated funds	2,197,784	58,135	(24,624)	(1,527,490)	703,805
General funds	491,283	1,211,133	(285,285)	(55,756)	1,361,375
Total unrestricted funds	2,689,067	1,269,268	(309,909)	(1,583,246)	2,065,180
Total funds	2,846,710	2,200,968	(533,355)	-	4,514,323

In the prior year (to 31 March 2022) £1,583,246 was moved from designated funds to restricted funds. This was as a result of negotiation with the MOD on how funds are to be treated in the future, during which we agreed to move all remaining funds from MOD sources into the restricted Contingent Growth Fund.

Purposes of restricted funds

Cadet Bursary Fund – this is be used to support the set up costs of new CCF Contingents in state schools.

CCF Sustainability Fund – this is to be used to support sustainability projects in CCF Contingents at risk of closure, or for marking purposes.

Donor Fund – this is to be used to support individual cadets to access the full cadet experience unhindered by the vagaries of personal circumstance.

CCF Conference Fund – this is to be used to support CCF conferences and events.

CCF Equipment Fund – this is to be used to purchase equipment in support of the CCF.

Purposes of designated funds

Grant Generation Fund – these are funds set aside by the trustees and treated in the same way as an endowment in order to generate funds that can be used in CCFA's grant programmes.

Contingent Growth Fund – these funds are intended to help CCF contingents to cater for a larger number of young people so that they can take part in CCF activites each year.

18 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

19 School CCF Contingents that have received grants from the CCFA for the year ended 31 March 2023

ABBEY COLLEGE	LLANDOVERY COLLEGE
ABINGDON SCHOOL	LODGE PARK ACADEMY
ALLEYN'S SCHOOL	LORD WANDSWORTH COLLEGE
ARK ALEXANDRA	MANOR CHURCH OF ENGLAND ACADEMY
ARTHUR MELLOWS VILLAGE COLLEGE	MATRAVERS SCHOOL
ASHFORD SCHOOL	MONMOUTH SCHOOL FOR BOYS
ASTON UNIVERSITY ENGINEERING ACADEMY	MORETON HALL SCHOOL
BARR BEACON	NEALE-WADE ACADEMY
BAXTER COLLEGE	NPTC Group of Colleges
BEDLINGTON ACADEMY	OSWESTRY SCHOOL
BIRKENHEAD HIGH SCHOOL ACADEMY	PANGBOURNE COLLEGE
BLOOMFIELD COLLEGIATE SCHOOL	PARK VIEW SCHOOL
BLOXWICH ACADEMY SECONDARY	PATE'S GRAMMAR SCHOOL
BRAKENHALE SCHOOL	PENAIR SCHOOL
BREDON SCHOOL	PHILIPS HIGH SCHOOL
BROMPTON ACADEMY	PIONEER SECONDARY ACADEMY (KHALSA)
BUDMOUTH ACADEMY	PLYMOUTH COLLEGE
CALDAY GRANGE GRAMMAR SCHOOL	PLYMOUTH UTC
CAMPBELL COLLEGE	PRIORY INTEGRATED COLLEGE
CARDIFF & VALE COLLEGE	Q3 GREAT BARR
CAROLINE CHISHOLM SCHOOL	RADLEY COLLEGE
CHARTERHOUSE	READ SCHOOL
CHATHAM GRAMMAR SCHOOL	RYDE SCHOOL
CHICHESTER FREE SCHOOL	SAMWORTH CHURCH ACADEMY
CLAIRES COURT	SCARBOROUGH UTC
CLIFTON COLLEGE	SEAFORD COLLEGE
CO-OP ACADEMY WALKDEN	SEVENOAKS SCHOOL
CRANBROOK SCHOOL	SEXEY'S SCHOOL
DENSTONE COLLEGE	SIR THOMAS FREMANTLE SCHOOL
DOWNSIDE SCHOOL	SOLIHULL SCHOOL
EAST NORFOLK SIXTH FORM COLLEGE	SOUTHFIELD SCHOOL
EFFINGHAM SCHOOLS TRUST	ST JAMES SENIOR BOYS SCHOOL
EMBLEY SCHOOL	ST PAUL'S SCHOOL FOR GIRLS
ENERGY COAST UTC	ST. BRIGID'S SCHOOL
ERNEST BEVIN COLLEGE	ST. EDMUND'S COLLEGE
ERSKINE STEWART'S MELVILLE SCHOOL	STOWE SCHOOL
ETONE COLLEGE	STREETLY ACADEMY SCHOOL
EXETER SCHOOL	TAUHEEDUL
FETTES COLLEGE	THE BELVEDERE ACADEMY
FROME COLLEGE	THE BISHOP'S BLUE COAT
GEORGE HERIOT'S SCHOOL	THE DE FERRERS ACADEMY
GILBERD SCHOOL	THE DUKE OF YORK'S ROYAL MILITARY SCHOOL
GRESHAM'S SCHOOL	THE FERRERS SCHOOL
HABERDASHER'S KNIGHTS ACADEMY	THE FOLKESTONE SCHOOL FOR GIRLS
HELE'S SCHOOL	THE KHALSA ACADEMY WOLVERHAMPTON
HOLLY LODGE HIGH SCHOOL	THE PHOENIX COLLEGIATE
HUGH BAIRD COLLEGE	THE ROYAL SCHOOL WOLVERHAMPTON
ISCA ACADEMY	TORQUAY ACADEMY
JOHN MADEJSKI ACADEMY	TREORCHY COMPREHENSIVE SCHOOL
KETTERING BUCCLEUCH ACADEMY	TRINITY SCHOOL
KING CHARLES 1	TUDOR GRANGE ACADEMY SOLIHULL
KINGHAM HILL SCHOOL	TUDOR GRANGE ACADEMY WORCESTER
KING'S LEADERSHIP ACADEMY HAWTHORNES	TUNBRIDGE WELLS GIRL'S GRAMMAR SCHOOL

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2023

KING'S LEADERSHIP ACADEMY LIVERPOOL
KINGSTHORPE COLLEGE
KNOLE ACADEMY
LANCASTER ROYAL GRAMMAR SCHOOL
LARNE HIGH SCHOOL
LAURELHILL COMMUNITY COLLEGE
LAURUS RYECROFT HIGH SCHOOL
LIPSON COOPERATIVE ACADEMY
LISNAGARVEY HIGH SCHOOL

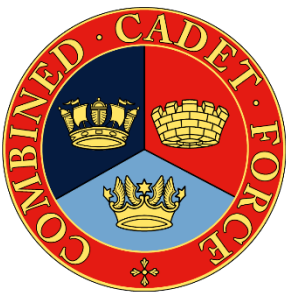
UPPINGHAM SCHOOL
VICTORIA COLLEGE JERSEY
WARWICK SCHOOL
WELLACRE ACADEMY
WELLINGTON SCHOOL
WEST BUCKLAND SCHOOL
WORKSOP COLLEGE
WYCLIFFE COLLEGE

COMBINED CADET FORCE ASSOCIATION

England & Wales - Charity number 1170994

Accounts

Company number: 10445616
Charity Number: 1170994
Scottish Charity Number: SC048021



Combined Cadet Force Association

Report and financial statements
For the year ended 31 March 2022

Combined Cadet Force Association

Contents

For the year ended 31 March 2022

Reference and administrative information	1
Trustees' annual report	3
Independent auditor's report	15
Statement of financial activities (incorporating an income and expenditure account)	20
Balance sheet	21
Statement of cash flows	22
Notes to the financial statements	23

Combined Cadet Force Association

Reference and administrative information

For the year ended 31 March 2022

Company number	10445616	
Country of incorporation	United Kingdom	
Charity number	1170994	SC048021
Country of registration	England & Wales	Scotland

Registered office
and operational address

Holderness House
51–61 Clifton Street
London EC2A 4DW

Trustees Trustees, who are also directors under company law, who served during the period and up to the date of this report were as follows:

Vice Admiral PD Hudson CB CBE	President
Air Vice–Marshal NDA Maddox CBE	Chair
Mr M Hampshire * ^	Vice Chair
Ms JYW Hodgson *	Treasurer
Mr SDA Benest	(appointed 25 Jan 2022)
Mr MS Blackford ^	
Mr JJ Bleakley	
Mrs SE Bonell OBE ^	(appointed 8 Sep 2022)
Mrs FL Chapman	
Mr SA Davies	
Mr RK Gordon	(resigned 11 Feb 2022)
Mr MZ Hamid	
Mr A Hudson	
Mrs AC Martin *^	
Mr SJ McMenemy *	
Mr DW Montgomery ^	
Mrs GS Poulet–Bowden	
Mr MP Ripley ^	
Mr C Thompson	
Mr NJ Woodall	

Col A Lamb MBE CCF (co-opted member)

Mr D Haigh (co-opted member)

* denotes membership of the Finance and Compliance Committee

^ denotes membership of the Grants Committee

Combined Cadet Force Association

Reference and administrative information

For the year ended 31 March 2022

Key management personnel	Colonel MNS Urquhart OBE Richard Walton Faye Meakin	Chief Executive Deputy Chief Executive Director of Development
Bankers	Lloyds Bank plc Butler Place London SW1H 0PR	
Investment managers	Waverton Investment Management 16 Babmaes Street London SW1Y 6AH	
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane London EC1Y 0TL	

Combined Cadet Force Association

Trustees' annual report

For the year ended 31 March 2022

The trustees present their report and the audited financial statements for the year ended 31 March 2022.

Reference and administrative information set out on page 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The Combined Cadet Force Association has three charitable objects:

- To develop the physical, mental, spiritual, moral and cultural capacity of young persons, and an understanding of personal values, through education in the context of adventurous and military style training, so that they may grow to full maturity as individuals and members of society;
- To cultivate confidence, teamwork, judgement and powers of communication so that their conditions of life may be improved;
- To promote the efficiency of the Combined Cadet Force through fostering cadet activity and advancing the youth leadership abilities of Cadet Force Adult Volunteers.

The charity's first purpose is therefore to enable access to activities that will educate, develop and broaden the interests of the 50 760 young people who are cadets in the Combined Cadet Force (CCF). These young people are involved in one of 470 school-based CCF Contingents across the whole of the UK. The Association looks to enhance their development both through the delivery of support to contingents and by the making of grants to support individual cadets; to help new contingents to become established in state schools; or, to help existing contingents to improve their resilience and so ensure they are able to deliver development opportunities to young people for many years to come.

In support of the charity's second object the Association offers grants to enable cadets to take part in a wide range of activities. The charity supplies information regarding the setting up of a CCF Contingent to schools which have no contingents and to other interested organisations or persons. Finally, the charity carries out functions in the interests of the CCF as a whole such as the provision of insurance cover against accidents, travel difficulties and legal help.

To further the charity's third object the charity helps administer the national CCF First Aid competition and contributes to the delivery of courses for CCF adult volunteers. The charity also co-ordinates opportunities for cadets to take part in major national activities, such as the annual

Combined Cadet Force Association

Trustees' annual report

For the year ended 31 March 2022

remembrance weekend activities. Both the trustees and the staff of the charities invest time in promoting the ethos and activities of the CCF to wide audiences including school leadership and local communities as well as supporting CCF adult volunteers with access to information and introductions to useful organisations and individuals.

Although the charity has no executive role in the running of the CCF, which is the responsibility of the MOD and single services in partnership with schools, it is part of the national framework steering the CCF and its activities. The Chair and Chief Executive attend high level MOD steering group meetings. Also, through its open board meetings, the charity provides another forum for the MOD, single services and schools to exchange views.

The trustees review the aims, objectives and activities of the charity each year in the light of these charitable objects. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focussed on its stated purposes.

The enduring priority for the Association's trustees is to ensure that young people are able to develop through membership of the CCF. This means a focus on some key areas:

- Supporting struggling CCF contingents in order to prevent them from closing.
- Removing barriers, such as cost, to individual cadet participation in CCF activities.
- Advocating for the CCF to key influencers in order that the benefits of CCF membership are widely understood and well supported.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Grant Programmes

The Association primarily furthers its objects through the awarding of grants to individual cadets, or to CCF contingents. It runs two grant programmes: the Small Grants Programme and the Contingent Growth Fund. Two closed grant programmes: the Cadet Bursary Fund, and the CCF Sustainability Fund are no longer making new grants but continue to make grant payments agreed in the past. The remaining restricted funds which were given to CCFA for use in the Cadet Bursary Fund were released (with the kind permission of the MoD) to further other activities of the Association. The Association makes grants on the following basis:

- Small Grants Programme. The Grants Committee considers grants on a termly basis. Individual grants up to a normal maximum of £300 are awarded to support a cadet to take part in a CCF activity they would otherwise be unable to afford and place great importance on the personal circumstances of the participant demonstrating a need for charitable support. Group Activity Grants up to a normal maximum of £750 are awarded to CCF Contingents on a yearly basis in

support of activities which would not ordinarily be funded by the Chain of Command, both at regional and national level. Applications for both are made on forms which are circulated to all CCF Contingents and the applications are considered by a committee of CCFA trustees. Grants are awarded with a requirement to report on the use of the grant within an agreed period of time.

- Contingent Growth Fund. With the conclusion of the second phase of the Cadet Expansion Programme (CEP) and the stated ambition of the Government to increase the number of young people involved in each CCF Contingent, the trustees have established the Contingent Growth Fund to support CEP Phase three. This fund seeks to fund initiatives aimed at improving the recruitment and retention of young people in CCF Contingents.

Achievements and performance

The charity's main activities and who it tries to help are described below. All its charitable activities focus on the cadets, volunteers and contingents of the CCF and are undertaken to further the Combined Cadet Force Association's charitable purposes for the public benefit.

The performance of the Association's grant programmes in the year was:

- Small Grants Programme. Since 2013 CCFA has committed to make up to £25,000 worth of small grants per annum. The Association normally makes grants each year to cadets and since 2019 to CCF Contingents with the creation of the CCF Group Activity Grant Programme. This year the total grants made were £9,038.96 (2021 – £1,200), with a split as follows: 19 (2021 – 0) Small Grants awarded totalling £3,459.96 (2021 – £0), and 10 Group Activity Grants (2021 – 1) totalling £5,579 (2021 – £1,200).
- Supporting Growth Fund. This fund aims to help schools to increase the number of cadets in their CCFs. A grant of £50,000 (2021 – £677,257.12) has been made from the fund to The Marine Society and Sea Cadets (MSSC) for the purpose of funding key enabling staff who will help to support growth in cadet units. In February, the fund opened to applications from schools with CCFs, with an initial deadline of 29 April. Applications will be received at regular intervals over the next 2 years.

Beneficiaries of our services

The main way in which the Association delivers benefit to its beneficiaries is through the provision of grants. As explained earlier in the report grants are made either to support the contingent and its ability to deliver the cadet programme, or to individual cadets to enable them to access the full range of opportunities in their contingent.

In order to measure the difference that these grants have made the trustees ask for reports from grant recipients. These detail the impact of the grant and are used to help the trustees to decide both what funding to bid for and how best to structure the Association's grant programmes in the future.

Combined Cadet Force Association

Trustees' annual report

For the year ended 31 March 2022

Some examples of the impact on the beneficiaries detailed in the last section of this report include:

Through the Small Grants Fund Cadet Wilson from Campbell College CCF received funding for tenor drumsticks and music tuition to support her role in the College Pipe Band. She described the impact of the grant, saying *"The grant has been very beneficial as I have greatly improved my tenor drumming as demonstrated through winning the UK-wide Open (Senior) Tenor event in the Piping and Drumming competition held for cadets. I also had the very enjoyable experience and great privilege of participating in the Massed Pipes and Drums event at Carrickfergus Castle to celebrate Northern Ireland's centenary year."*

Lisnargarvey High School CCF received a Group Activity Grant for an adventure training day during their CCF summer camp 2021. The grant made the activity day inclusive and affordable for a contingent with a third of cadets on free school meals, enabling them to offer everyone the chance to develop team building, new skills and self-confidence on a level playing field. The Contingent Commander, Dee Orwin, reflected that *"The impact was clear to see, there was a number of very hesitant cadets, but encouraged by their peers and staff leadership, cadets extended themselves and took on the challenges with some fear, panic and trepidation, but the outcome was clear to see, happy, buzzing, and a lot of back slapping."*

Using a Group Activity Grant, Royal Grammar School Newcastle were able to increase the affordability of their Easter adventure training camp. Following the difficulties of the previous year, with the cessation of CCF activities due to Covid, this was the first CCF activity outside of school for most cadets. They shared that *"the opportunity for the cadets from all three sections in the Contingent to get outdoors, challenge themselves and have fun with friends was especially important after the restrictions of COVID lockdown."* They reported the impact of these activities on their cadets, *"it was fantastic to see the cadets rediscover the joy of being part of a team and also relearn some of the skills that are essential to achieving this successfully. For the older cadets the chance to begin developing their leadership skills was invaluable, especially as they have generally missed out on seeing it modelled for them by their older peers"* Sqn Ldr Caroline Hutton-Stott, Contingent Commander.

Financial review

The statement of financial activities for the period is set out on page 20 of the financial statements. A summary of the financial results and the work by the Association is set out below.

Income for the year ended 31 March 22 included donations and legacies of £2,110,927 (eight months to 2021 – £187,913), income for supporting cadets and volunteers of £21,912 (eight months to 2021 – £31,043) and investment income and interest of £13,295 (eight months to 2021 – £13,839). Total gross income amounted to £2,155,526 (eight months to 2021 – £232,795).

Expenditure for the period comprised costs of raising funds of £600 (eight months to 2021 – £300), costs of activities in support of contingents of £523,716 (eight months to 2021 –

Combined Cadet Force Association

Trustees' annual report

For the year ended 31 March 2022

£1,640,540) which reflects the planned expenditure against grant programmes and costs of supporting cadets and volunteers of £9,039 (eight months to 2021– £16,826). Total expenditure amounted to £533,355 (eight months to 2021– £1,657,666).

Net income for the year before investment gains/(losses) amounted to £1,622,171 (eight months to 2021– net expenditure of £1,424,871).

The trustees expect the charity to exist in perpetuity and its investment policy is designed to support the long-term financial health of the charity. The Association adopted the current investment policy in October 2020; its stated objectives are to:

- Produce the best financial return within an acceptable level of risk.
- Generate a return of CPI plus 3% per annum over the medium term (defined as a six-year average), after expenses.

The Association has adopted a total return approach to investment, generating the investment return from income and capital gains or losses. It is expected that if in any one year the total return is insufficient to meet the growth target, in the long term the real value of the investments will still grow in accordance with the investment objectives above.

The Association has decided not to invest in assets that the trustees consider to be contrary to the spirit of its objects. In particular tobacco, alcohol and pornography are to be excluded from our investments. The trustees have agreed a process with our investment managers as to how these restrictions are to be applied.

During the year net gains on the fair value of investments amounted to £45,442 (eight months to 2021– net gains of £45,532). The investment objective is to generate a return of CPI plus 3% per annum over the medium term (six years). The six-year average (CPI + 3%) to the end of Mar 22 has been calculated as 5.65%. This compares to a five reporting-period average return of 6.17% in the portfolio since the move of investment managers. The trustees recognise that a five reporting-period average is a shorter period than the six-year average that is the benchmark and are satisfied with the investment performance in the year.

In order to support the efficient delivery of our grant programmes and to efficiently manage cash flow, the trustees have directed that funds earmarked for grant making are to be held in cash deposit accounts of no more than 24 months in duration. At the end of 2022 the funds held on short term deposit were £951k (2021: £600k).

Principal risks and uncertainties

The trustees examine the major risks that the Association faces each financial year during routine board meetings and in meetings between the senior trustees and the Chief Executive. The charity has systems in place to monitor and control these risks to mitigate any impact that they may have on the Association's activities in the future.

The key risks for the charity, as identified by the trustees, are described below together with the principal way in which they are mitigated:

- Risk of failing to deliver fully on the charitable objects because CCFA's beneficiaries (principally CCF contingents) are not aware of the charity that exists to support them. Communicating with the beneficiaries is not straightforward, therefore the charity uses a variety of effective channels of communication to spread the word about the support that the charity can provide.
- Risk of failing to sustain major grant programmes. The charity is keen to support the Government's Cadet Expansion Programme and is conscious that many new CCF contingents need financial support to become established. The charity's Contingent Growth Fund currently meets that need, but the funds available are finite and diminishing. If the fund is not topped up, the charity will have to close the fund when it is spent with the potential risk that some of its beneficiaries, CCF contingents, will have to close. The charity is currently establishing a fundraising function and it is hoped this will ensure that the Contingent Growth Fund can continue.
- Governance Risk. The success of the CCFA's programme of work depends on good governance. The trustees seek to ensure this by: having appropriate recruitment and appointment processes; regular reviews of the board's structure, competence and diversity; holding appropriate insurance to protect trustees; and ensuring trustees retire at a rate of approximately a third each year.

Reserves policy and going concern

The CCFA adopted the current Reserves Policy in December 2019. The purpose of the policy is to ensure the ongoing operations of the charity are protected in the event of a sudden decline in the financial health of the charity. The reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The reserve may also be used for one-time, non-recurring expenses that will build long-term capacity, such as staff development or investment in infrastructure.

The reserve is defined as unrestricted funding that has not been designated for a specific purpose. The reserve will be an amount sufficient to maintain ongoing operations and programs for three to six months. The reserve will be reviewed and adjusted in response to internal and external changes. The target minimum reserve fund is equal to 3 months of operating costs and is calculated at the start of the year based on the budget. This year the minimum level of reserves was calculated as £111,247 (2021 – £425,403) which reflected the planned reduction in expenditure for the year.

From time to time the trustees might choose to designate funds for long term investment in order to realise an income that can be used to further the charity's objects. These funds will not be counted as part of the charity's free reserves.

Actual free reserves in 2022 were £1,361,375 (2021: £491,283).

This means that free reserves are approximately £936k, or 69% in excess of the minimum level of reserves (2021 – £66k or 13% in excess). The trustees recognise that, owing to a year with lower planned expenditure, the reserves look very healthy and are content that reserves are within the target level.

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Fundraising

The charity is not a member of the Fundraising Regulator because it does not engage in the kind of fundraising activity that would make this a requirement. We intend to review this position in the coming year. The charity's approach to fundraising activity is to seek grants from organisations in order to achieve a particular aim, for example to support the growth of cadet numbers in existing CCF contingents. Where an individual or group with an interest in the cadet movement would like to support cadets, we invite them to donate to the CCFA. We do not use a professional fundraiser or a commercial participator.

We offer the facility for individuals to make one off or repeat donations online and offer membership of the CCFA to repeat individual donors or CCF Contingents. We have received no complaints about fundraising.

We do not contact our members or supporters to solicit donations, although this is something we might consider doing should we have a specific fundraising objective in the future.

Plans for the future

Whilst the charity itself is financially secure, the trustees remain concerned about the viability of many of the CCF contingents (the charity's beneficiaries) newly formed under the Cadet Expansion Programme, the concern being that they do not have the full suite of volunteer staff and facilities needed to run a thriving contingent. Additional financial support could make the difference, therefore the ambition of the trustees is to maintain existing grant programmes to support these new contingents. Efforts will be made to find new donors to top up the Contingent Growth Fund.

The charity's Small Grants Programme remains sound and secure, for which the trustees are enormously grateful to Mr Gareth Neame OBE for his continuing close interest and generous donations.

As stated in the section on Principal Risks and Uncertainties, effort will continue in the year 2022/2023 to communicate with all CCF contingents to make them aware that the CCFA is their charity and that they are its beneficiaries, and to make them further aware of the grants programmes and other benefits that CCFA can provide to support them.

In respect of Governance, the trustees are mid-way through a programme of reviewing the charity's purpose and structures. The existing objects and articles are being reviewed to confirm that they are right, relevant and can be delivered (overall it is felt they are right, but they may need slight adjustment). The number of trustees remains large compared to the Charity Commission's best practice guidance and it is expected that the board will reduce in size gradually.

The CCFA has approached the Charity Commission for Northern Ireland and attempted to register with them as the charity operates in Northern Ireland. The commission has responded to say that they are in the process of registering charities that are not regulated by another UK charity regulator first and will contact the CCFA when they are ready to process our application.

Structure, governance and management

The Combined Cadet Force Association (CCFA) is a registered charity and a company limited by guarantee, not having a share capital. The entity was incorporated on 25 October 2016 and registered as a charity with the Charity Commission for England and Wales on 5 January 2017 and the Office of the Scottish Charity Regulator on 22 December 2017. It is governed by its memorandum and articles of association which were adopted on 4 October 2016. This arrangement replaced an earlier construct of the CCFA which was constituted by a trust deed and registered with the Charity Commission in 1963 under charity number 305988. The assets of this earlier version of the CCFA were transferred to the new construct which was duly re-registered with the Charity Commission under charity number 1170994.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

The part time Chief Executive of the charity is Colonel (Retired) Murdo Urquhart OBE, who heads a small team of staff comprising Richard Walton, the part time Deputy Chief Executive, Faye Meakin, the part time Director of Development, and seven full-time equivalent members of staff who carry out particular functions across the UK.

The annual budget is agreed by the Finance and Compliance Committee. The senior trustees (President, Chair, Vice Chair, and Treasurer) are consulted by the Chief Executive on a regular basis and on all matters that are considered by him to be strategic, novel or contentious. These consultations are largely conducted by video conference, telephone and e-mail or at informal "management board" meetings.

There are a number of formal trustee meetings. The CCFA Board of Trustees meets twice per year. Amongst other papers the Board receives:

Combined Cadet Force Association

Trustees' annual report

For the year ended 31 March 2022

- A report from the Finance and Compliance Committee of the CCFA; including the audited financial statements of the Association. The audited financial statements are agreed and signed off at this meeting.
- An updated register of the diverse risks being managed by the charity.

The Board has two sub committees and one joint sub-committee with its sister charity, the Army Cadet Charitable Trust UK (ACCT UK). The Finance and Compliance Committee carries out the overall financial management of the Association (including agreeing the annual budget, the raising, investment and direction of funds, and the oversight of financial processes) and the regular review of the charity's governance arrangements. The Committee consists of the Treasurer, the Vice Chair, the Legal and Governance Adviser and the School Finance Adviser. It meets four times per year after the end of each financial quarter and reports at both board meetings.

The second sub-committee is the Grants Committee, chaired by the Vice Chair and including at least two other trustee members. This committee sets the overall policy for grants and makes decisions about which applications to fund. It considers applications approximately three times per year.

The Joint ACCT UK and CCFA HR and Remuneration Committee includes two CCFA trustees (the Treasurer and Legal Adviser). It exercises the trustees' responsibilities for oversight of the remuneration of the CCFA's employees. In setting the salary levels for the Association the trustees carry out a comparison with a suitable benchmark. The HR and Remunerations Committee is tasked each year to ensure that all salaries, including those of the senior officers of the charity, are commensurate with this measure. This includes a review of the salary bands.

Appointment of trustees

Trustees are appointed for a period of three years and encouraged to serve for no more than two terms to ensure regular turnover of trustees. Where a successor cannot be found a trustee could stand for re-election and there is no restriction in the articles on the number of times an individual can stand for re-election.

Trustees are considered to be one of two "types" (with identical rights and obligations). The first type is a serving CCF Contingent Commander who is elected to represent the CCF Contingents in one of 13 regions of the UK. The second type of trustee is a private individual who is recruited to bring particular skills to the board in order to improve the ability of the trustees to govern the charity.

The core of the board of trustees are the representative contingent commanders. Careful thought by the management board goes into ensuring that they represent a fair balance of: state and independent schools; and Royal Navy, Army and RAF contingents.

Trustees' annual report

For the year ended 31 March 2022

The process for identifying new trustees is twofold. In the case of representative contingent commanders, when replacements are required, volunteers are sought from within the members of the relevant region. Ideally this is done during regional conferences when it is transparent to all present. In the case of trustees with specialist knowledge and experience, any means will be used to find the right person. The process for advertising for and recruiting trustees will be considered as part of the upcoming governance review.

If a trustee is appointed during the year they are co-opted by the trustees and then formally elected at the next AGM for a period of three years.

Trustee induction and training

There are four parts to trustees' induction. They:

- are provided with a pack of information about CCFA;
- visit the charity's offices in London to meet the key staff;
- receive an introductory brief by the Chief Executive explaining how CCFA supports the armed forces' chains of command to run the CCF and deliver cadet training, and how CCFA represents the interests of the civilian CFAVs who deliver that training; and,
- for trustees with no experience of the CCF, the offer to facilitate a visit to a CCF contingent, either during a parade afternoon at school or annual camp.

Related parties and relationships with other organisations

The Association has relationships with all CCF Contingents and officers from 11 (2021: 12) contingents are trustees of the CCFA. The trustees ensure that they keep good records of who is associated with which contingent and those individuals absent themselves from any decision making that could give a real or perceived benefit to their contingent (most commonly the award of a grant). Such related party transactions are disclosed in note 10 to the accounts.

The charity shared offices and staff with a sister charity, ACCT UK (charity number: 305962). The two charities employ staff on joint contracts which are managed through ACCT UK and the staff costs relating to CCFA are recharged on a monthly basis. In addition, the Treasurer, Julia Hodgson, works for the Bank of England which has a role in prudential regulation and she therefore takes no part in discussions or decisions relating to the charity's investment plans and portfolio.

Remuneration policy for key management personnel

The Trustees consider that they together with the Chief Executive, the Deputy Chief Executive and the Director of Development comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All employees are jointly contracted by CCFA with our sister charity ACCT UK. Oversight of the staffing arrangements is exercised through the joint ACCT UK and CCFA HR and Remunerations Committee as described above.

Statement of responsibilities of the trustees

The trustees (who are also directors of the Combined Cadet Force Association for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- 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 corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2022 was 278 (2021: 347). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Combined Cadet Force Association

Trustees' annual report

For the year ended 31 March 2022

Auditor

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to act in that capacity.

The trustees' annual report has been approved by the trustees on 20 September 2022 and signed on their behalf by

Air Vice Marshal Nigel Maddox CBE
Chair

Independent auditor's report

To the members of

Combined Cadet Force Association

Opinion

We have audited the financial statements of Combined Cadet Force Association (the 'charitable company') for the period ended 31 March 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

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 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 Association'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.

Independent auditor's report

To the members of

Combined Cadet Force Association

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 trustees' annual report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- The 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Independent auditor's report

To the members of

Combined Cadet Force Association

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 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 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

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 are set out below.

Independent auditor's report

To the members of

Combined Cadet Force Association

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance and compliance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Independent auditor's report

To the members of

Combined Cadet Force Association

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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

Date: 03 November 2022.

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Combined Cadet Force Association

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	8 months ended 31 March 2021 Total £
Income from:							
Donations and legacies	2	1,189,227	921,700	2,110,927	152,470	35,443	187,913
Charitable activities	3						
Supporting cadets and volunteers		11,912	10,000	21,912	21,043	10,000	31,043
Investments	4	13,295	-	13,295	13,839	-	13,839
Other income		9,392	-	9,392	-	-	-
Total income		1,223,826	931,700	2,155,526	187,352	45,443	232,795
Expenditure on:							
Raising funds	5	600	-	600	300	-	300
Charitable activities							
Supporting contingents	5	309,309	214,407	523,716	1,520,053	120,487	1,640,540
Supporting cadets and volunteers	5	-	9,039	9,039	15,626	1,200	16,826
Total expenditure		309,909	223,446	533,355	1,535,979	121,687	1,657,666
Net income/(expenditure) before net gains on investments		913,917	708,254	1,622,171	(1,348,627)	(76,244)	(1,424,871)
Net gains on investments	13	45,442	-	45,442	45,532	-	45,532
Net income / (expenditure) for the year		959,359	708,254	1,667,613	(1,303,095)	(76,244)	(1,379,339)
Transfers between funds	17	(1,583,246)	1,583,246	-	391,815	(391,815)	-
Net movement in funds		(623,887)	2,291,500	1,667,613	(911,280)	(468,059)	(1,379,339)
Reconciliation of funds:							
Total funds brought forward		2,689,067	157,643	2,846,710	3,600,347	625,702	4,226,049
Total funds carried forward		2,065,180	2,449,143	4,514,323	2,689,067	157,643	2,846,710

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

Combined Cadet Force Association

Balance sheet

Company no. 10445616

As at 31 March 2022

	Note	£	31 March 2022 £	£	31 March 2021 £
Fixed assets:					
Investments	13		<u>703,805</u>		<u>646,270</u>
			703,805		646,270
Current assets:					
Debtors	14	3,013		2,536	
Short term deposits		950,529		600,164	
Cash at bank and in hand		<u>2,936,022</u>		<u>1,678,092</u>	
			3,889,564		2,280,792
Liabilities:					
Creditors: amounts falling due within one year	15a	<u>(38,096)</u>		<u>(44,402)</u>	
Net current assets			<u>3,851,468</u>		<u>2,236,390</u>
Total assets less current liabilities			4,555,273		2,882,660
Creditors: amounts falling due after one year	15b		<u>(40,950)</u>		<u>(35,950)</u>
Total net assets			<u>4,514,323</u>		<u>2,846,710</u>
The funds of the charity:	17a				
Restricted income funds			2,449,143		157,643
Unrestricted income funds:					
Designated funds:		703,805		2,197,784	
General funds		<u>1,361,375</u>		<u>491,283</u>	
Total unrestricted funds			<u>2,065,180</u>		<u>2,689,067</u>
Total charity funds			<u>4,514,323</u>		<u>2,846,710</u>

Approved by the trustees on 20 September 2022 and signed on their behalf by

Julia Hodgson
Treasurer

Michael Hampshire
Vice Chair

Combined Cadet Force Association

Statement of cash flows

For the year ended 31 March 2022

	Note	12 months ended 31 March 2022		8 months ended 31 March 2021	
		£	£	£	£
Cash flows from operating activities					
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		1,667,613		(1,379,339)	
(Gains)/losses on investments		(45,442)		(45,532)	
Dividends and interest from investments		(13,295)		(13,839)	
(Increase)/decrease in debtors		(477)		69,690	
(Decrease)/increase in creditors		(1,306)		32,914	
Net cash provided by operating activities		1,607,093		(1,336,106)	
Cash flows from investing activities:					
Dividends, interest and rents from investments		13,295		13,839	
Movement in short term deposit		(350,365)		899,836	
Purchase of investments		(27,105)		-	
Movement in cash held by investment managers		15,012		(5,442)	
Net cash provided by investing activities		(349,163)		908,233	
Change in cash and cash equivalents in the year		1,257,930		(427,873)	
Cash and cash equivalents at the beginning of the year		1,678,092		2,105,965	
Cash and cash equivalents at the end of the year		2,936,022		1,678,092	

1 Accounting policies

a) Statutory information

Combined Cadet Force Association is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address and principal place of business is Holderness House, 51–61 Clifton Street, London, EC2A 4DW.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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 (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Key judgements that the charity has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1 Accounting policies (continued)

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in making its investment portfolio.
- Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising overhead costs of the central function, is apportioned on the following basis which are an estimate of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

1 Accounting policies (continued)

n) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing #quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading “Net gains/(losses) on investments” in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 24 months.

q) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

s) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Income from donations and legacies

					8 months ended 31 March 2021	
	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Donations	13	-	13	-	-	-
Legacies	684	-	684	-	-	-
Donated services	10,230	-	10,230	5,040	-	5,040
Ministry of Defence grant	1,178,300	921,700	2,100,000	147,430	35,443	182,873
	<u>1,189,227</u>	<u>921,700</u>	<u>2,110,927</u>	<u>152,470</u>	<u>35,443</u>	<u>187,913</u>

The Reserve Forces and Cadets Association for Greater London kindly donates office space to the CCFA. This is recognised at the estimated cost of securing suitable alternative office space. The value of the service has increased in line with the employment of new staff.

MoD restricted grant of £846,000 received for the Contingent Growth Fund.

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2022

3 Income from charitable activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	8 months ended 31 March 2021 Total £
Supporting cadets and volunteers						
Subscriptions	11,912	-	11,912	21,043	-	21,043
Donations	-	10,000	10,000	-	10,000	10,000
Sub-total	11,912	10,000	21,912	21,043	10,000	31,043
Total	11,912	10,000	21,912	21,043	10,000	31,043

4 Income from investments

	2022 Total £	8 months ended 31 March 2021 Total £
Dividends	12,692	5,742
Bank interest	603	8,097
	13,295	13,839

All income from investments is unrestricted.

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2022

5a Analysis of expenditure (current year)

	Charitable activities					2022 £	8 months ended 31 March 2021 £
	Raising funds £	Supporting contingents £	Supporting cadets and volunteers £	Governance costs £	Support costs £		
Staff costs (Note 8)	-	198,144	-	-	108,922	307,066	241,653
Grant making (Note 6)	-	35,474	9,039	-	-	44,513	1,377,177
Direct activity costs	-	9,508	-	-	-	9,508	532
AGM and event costs	-	1,678	-	-	-	1,678	1,560
Insurance	-	-	-	-	35	35	419
Marketing and advertising	-	146,669	-	-	-	146,669	15,511
Premises costs	-	-	-	-	10,230	10,230	5,040
Audit and accountancy fees	-	-	-	9,770	-	9,770	11,910
Trustee expenses	-	-	-	429	-	429	2,536
Investment manager fees	600	-	-	-	-	600	300
Other	-	-	-	-	2,857	2,857	1,028
	600	391,473	9,039	10,199	122,044	533,355	1,657,666
Support costs	-	122,044	-	-	(122,044)	-	-
Governance costs	-	10,199	-	(10,199)	-	-	-
Total expenditure 2022	600	523,716	9,039	-	-	533,355	
Total expenditure 2021	300	1,640,540	16,826	-	-		1,657,666

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2022

5b Analysis of expenditure (prior year)

	Charitable activities					8 months ended 31 March 2021 £
	Raising funds £	Supporting contingents £	Supporting cadets and volunteers £	Governance costs £	Support costs £	
Staff costs (Note 8)	-	165,841	15,464	-	60,348	241,653
Grant making (Note 6)	-	1,375,977	1,200	-	-	1,377,177
Direct activity costs	-	370	162	-	-	532
Annual dinner costs	-	1,560	-	-	-	1,560
Insurance	-	-	-	-	419	419
Marketing and advertising	-	15,511	-	-	-	15,511
Premises costs	-	-	-	-	5,040	5,040
Audit and accountancy fees	-	-	-	11,910	-	11,910
Trustee expenses and AGM	-	-	-	2,536	-	2,536
Investment manager fees	300	-	-	-	-	300
Other	-	-	-	-	1,028	1,028
	300	1,559,259	16,826	14,446	66,835	1,657,666
Support costs	-	66,835	-	-	(66,835)	-
Governance costs	-	14,446	-	(14,446)	-	-
Total expenditure 2021	300	1,640,540	16,826	-	-	1,657,666

6 Grant making

A list of the School CCF Contingents that have received grants from the CCFA is in note 19. In addition to the amounts committed and accrued, the CCFA authorises certain grants which are subject to acceptance of the terms and conditions such as the employment of a School Staff Instructor. The total amount authorised, but not accrued for, was £40,298 (8 months ended 31 March 2021: £112,799).

	2022	8 months ended 31 March 2021
	£	£
Supporting contingents		
CCF Sustainability Fund	(14,472)	635,367
Contingent Growth Fund	50,000	677,257
Cadet Bursary Fund	(54)	63,353
Supporting cadets and volunteers		
Small grants programme	9,039	1,200
At the end of the year	<u>44,513</u>	<u>1,377,177</u>

CCF Sustainability Fund – money refunded from 5 schools for non use of grant payments in YE 31 March 2022

Contingent Growth Fund – £50K grant awarded to MSSC in year ended 31 March 2022.

Cadet Bursary Fund – money refunded for unspent grant from Schools, offset by committed grants payable from prior year.

Small Grants Programme, grants awarded to 16 schools in year ended 31 March 2022.

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2022	8 months ended 31 March 2021
	£	£
Auditor's remuneration (excluding VAT):		
Audit – current year	<u>8,300</u>	<u>7,900</u>

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:	2022 £	8 months ended 31 March 2021 £
Salaries and wages	258,434	214,501
Social security costs	27,230	14,969
Employer's contribution to defined contribution pension schemes	21,402	12,183
	307,066	241,653

No employee earned more than £60,000 during the year (8 months ended 31 March 2021: nil).

The trustees consider that they, together with the Chief Executive and the Deputy Chief Executive comprise the key management personnel of the charity. The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £90,559 (8 months ended 31 March 2021: £60,348).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (8 months ended 31 March 2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (8 months ended 31 March 2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £375 (8 months ended 31 March 2021: nil) incurred by 2 (8 months ended 31 March 2021: nil) members relating to attendance at meetings of the trustees.

9 Staff numbers

The full time equivalent staff carrying out work for the CCFA during the year was 7 (8 months ended 31 March 2021: 6).

Because the CCFA shares its back office functions with ACCT UK it has chosen to employ all staff across both charities on joint contracts. This means that the charities gain flexibility and economies in how staff support the charities. However this joint contract arrangement requires CCFA to disclose the average number of employees for the two charities combined. This is taken as a head count based on number of staff employed. During the year this was 53 (8 months ended 31 March 2021: 52).

10 Related party transactions

Recharges of £307,066 (8 months ended 31 March 2021: £169,427) were made by ACCT UK, a registered charity, which provides resources to the CCFA at cost. Of this £198,144 (8 months ended 31 March 2021: £198,964) is included in supporting contingents, £nil (8 months ended 31 March 2021: £10,115) is included in supporting cadets and volunteers and £108,922 (8 months ended 31 March 2021: £60,348) is included in support costs.

On occasion grants are awarded to contingents at which trustees are adult volunteers. Decisions about who to award funds to are made by the Grants Committee. On the rare occasion a trustee's contingent has applied for a grant, that trustee will not be a party to the discussion of their contingent's application. If they sit on the Grants Committee they will leave the room for that part of the meeting.

There were nil (8 months ended 31 March 2021: nil) transactions of the above type relating to nil (8 months ended 31 March 2021: nil) regional trustees totalling £nil (8 months ended 31 March 2021: £nil) during the year.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

11 Amounts disbursed as agent

The Combined Cadet Force Association acts as an agent for members requiring insurance. Income and related disbursements are therefore excluded from the statement of financial activities. During the year, funds of £34,805 (8 months ended 31 March 2021: £30,618) were received, £25,413 (8 months ended 31 March 2021: £20,955) was expended, £nil (8 months ended 31 March 2021: £nil) was receivable and £9,392 (8 months ended 31 March 2021: £nil) was written off and moved to miscellaneous income. This is in line with the charity's policy on treatment of surplus and deficit insurance receipts.

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

13 Listed investments

	31 March 2022 £	31 March 2021 £
Fair value at the start of the year	627,093	581,561
Additions at cost	27,105	–
Disposal proceeds	–	–
Net gain on change in fair value	45,442	45,532
	<u>699,640</u>	<u>627,093</u>
Cash held by investment broker pending reinvestment	4,165	19,177
Fair value at the end of the year	<u>703,805</u>	<u>646,270</u>
Investments comprise:		
	31 March 2022 £	31 March 2021 £
Funds listed on the London Stock Exchange	699,640	627,093
Cash	4,165	19,177
	<u>703,805</u>	<u>646,270</u>

14 Debtors

	31 March 2022 £	31 March 2021 £
Prepayments	3,013	2,536
	<u>3,013</u>	<u>2,536</u>

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2022

15a Creditors: amounts falling due within one year

	31 March 2022 £	31 March 2021 £
Grants payable	13,483	30,982
Trade Creditors	16,541	900
Accruals	8,072	12,520
	<u>38,096</u>	<u>44,402</u>

15b Creditors: amounts falling due after one year

	31 March 2022 £	31 March 2021 £
Grants payable – due in 2–5 years	40,950	35,950
	<u>40,950</u>	<u>35,950</u>

16a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Investments	–	703,805	–	703,805
Net current assets	2,248,325	–	2,449,143	4,697,468
Long term liabilities	(40,950)	–	–	(40,950)
Net assets at 31 March 2022	<u>2,207,375</u>	<u>703,805</u>	<u>2,449,143</u>	<u>5,360,323</u>

16b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Investments	–	646,270	–	646,270
Net current assets	527,233	1,551,514	157,643	2,236,390
Long term liabilities	(35,950)	–	–	(35,950)
Net assets at 31 March 2021	<u>491,283</u>	<u>2,197,784</u>	<u>157,643</u>	<u>2,846,710</u>

17a Movements in funds (current year)

	At 1 April 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
Restricted funds:					
Cadet Bursary Fund	98,472	-	(9,115)	-	89,357
Donor Fund (Small Grants)	15,175	10,000	(9,039)	5,000	21,136
CCF Conference Fund	3,465	-	-	-	3,465
CCF Equipment Fund	20,000	-	-	-	20,000
CCF Marketing Fund	20,531	75,700	(146,070)	49,839	-
Contingent Growth Fund	-	846,000	(59,222)	1,528,407	2,315,185
Total restricted funds	157,643	931,700	(223,446)	1,583,246	2,449,143
Unrestricted funds:					
Designated funds:					
CCF Sustainability Fund	23,107	-	(24,024)	917	-
Grant Generation Fund	646,270	58,135	(600)	-	703,805
Contingent Growth Fund	1,528,407	-	-	(1,528,407)	-
Total designated funds	2,197,784	58,135	(24,624)	(1,527,490)	703,805
General funds	491,283	1,211,133	(285,285)	(55,756)	1,361,375
Total unrestricted funds	2,689,067	1,269,268	(309,909)	(1,583,246)	2,065,180
Total funds	2,846,710	2,200,968	(533,355)	-	4,514,323

A transfer of £1,583,246 has been made from designated funds to restricted funds. This is as a result of negotiation with the MOD on how funds are to be treated in the future, during which we agreed to move all remaining funds from MOD sources into the restricted Contingent Growth Fund.

The narrative to explain the purpose of each fund is given at the foot of the note below.

17b Movements in funds (prior year)

	At 1 August 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
Restricted funds:					
Cadet Bursary Fund	595,862	-	(105,575)	(391,815)	98,472
Small Grants Fund	6,375	10,000	(1,200)	-	15,175
CCF Conference Fund	3,465	-	-	-	3,465
CCF Equipment Fund	20,000	-	-	-	20,000
CCF Marketing Fund	-	35,443	(14,912)	-	20,531
Total restricted funds	625,702	45,443	(121,687)	(391,815)	157,643
Unrestricted funds:					
Designated funds:					
CCF Sustainability Fund	1,495,719	-	(658,763)	(813,849)	23,107
Grant Generation Fund	595,295	5,742	(300)	45,533	646,270
Contingent Growth Fund	1,000,000	-	(677,257)	1,205,664	1,528,407
Total designated funds	3,091,014	5,742	(1,336,320)	437,348	2,197,784
General funds	509,333	227,142	(199,659)	(45,533)	491,283
Total unrestricted funds	3,600,347	232,884	(1,535,979)	391,815	2,689,067
Total funds	4,226,049	278,327	(1,657,666)	-	2,846,710

Purposes of restricted funds

Cadet Bursary Fund – this represents income received in order to be used to support the set up costs of new CCF Contingents in state schools.

CCF Sustainability Fund – this represents income received in order to be used to support sustainability projects in CCF Contingents at risk of closure, or for marketing purposes.

Donor Fund – this represents income received in order to be used to support individual cadets to be able to access the full cadet experience unhindered by the vagaries of personal circumstance.

CCF Conference Fund – this represents income received in order to be used to support CCF conferences and events.

CCF Equipment Fund – this represents income received in order to be used to purchase equipment in support of the CCF.

Purposes of designated funds

Grant Generation Fund – these are funds set aside by the trustees and treated in the same way as an endowment in order to generate funds that can be used in CCFA's grant programmes.

Contingent Growth Fund – these funds are intended to help CCF contingents to cater for a larger number of young people so that they can take part in CCF activities each year.

18 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

19 School CCF Contingents that have received grants from the CCFA for the period ended 31 March 2022

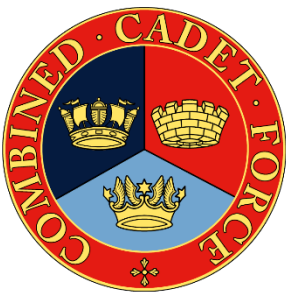
ABBAY COLLEGE	NPTC GROUP OF COLLEGES
ARK ALEXANDRA ACADEMY	OUTWOOD GRANGE ACADEMY
(WILLIAM PARKER ACADEMY)	PANGBOURNE COLLEGE
BARNARD CASTLE SCHOOL	PORTSMOUTH COLLEGE
BLOOMFIELD COLLEGIATE	QUEEN VICTORIA SCHOOL
BLOOMFIELD COLLEGIATE	RATTON SCHOOL
BOLDON SCHOOL	REDDAM HOUSE
BOLDON SCHOOL	SELLY OAK TRUST SCHOOL (KES CCF)
BRAKENHALE SCHOOL	SEXEY'S SCHOOL
CAMPBELL COLLEGE	SIR CHRISTOPHER HATTON ACADEMY
CAMPBELL COLLEGE	ST DUNSTANS SCHOOL CCF
COOKSTOWN HIGH SCHOOL	(MILLFIELD SCHOOL CCF)
CO-OP ACADEMY WALKDEN	STAMFORD WELLAND ACADEMY
HARRIS ACADEMY CHAFFORD HUNDRED	THE MALLING SCHOOL
HELE'S SCHOOL	THE MARINE SOCIETY AND SEA CADETS
HIGHFIELD LEADERSHIP ACADEMY	THE MARLBOROUGH SCIENCE ACADEMY
ICENI ACADEMY	THE PRIORY ACADEMY LSST CCF
JOHN MADEJSKI ACADEMY	TRINITY SCHOOL (TEIGNMOUTH)
KHALSA SECONDARY ACADEMY	TUNBRIDGE WELLS GIRLS GRAMMAR SCHOOL
LIPSON COOPERATIVE ACADEMY	WESTCLIFF HIGH SCHOOL FOR BOYS
MONTSAYE ACADEMY	WESTMINSTER ACADEMY
MOSSBOURNE COMMUNITY ACADEMY	WYCLIFFE COLLEGE

COMBINED CADET FORCE ASSOCIATION

England & Wales - Charity number 1170994

Accounts

Company number: 10445616
Charity Number: 1170994
Scottish Charity Number: SC048021



Combined Cadet Force Association

Captain General: Her Majesty the Queen

Report and financial statements

For the eight months ended 31 March 2021

Combined Cadet Force Association

Contents

For the eight months ended 31 March 2021

Reference and administrative information	1
Trustees' annual report	3
Independent auditor's report	15
Statement of financial activities (incorporating an income and expenditure account)	20
Balance sheet	21
Statement of cash flows	22
Notes to the financial statements	23

Combined Cadet Force Association

Reference and administrative information

For the eight months ended 31 March 2021

Company number 10445616
Country of incorporation United Kingdom

Charity number 1170994 SC048021
Country of registration England & Wales Scotland

Registered office Holderness House
and operational address 51–61 Clifton Street
London EC2A 4DW

Captain General of the CCF Her Majesty The Queen

Trustees Trustees, who are also directors under company law, who served during the period and up to the date of this report were as follows:

Vice Admiral PD Hudson CB CBE	President
Air Vice–Marshal NDA Maddox CBE	Chair
Mr M Hampshire * ^	Vice Chair
Ms JYW Hodgson *	Treasurer
Mr MS Blackford	
Mr JJ Bleakley ~	
Mrs FL Chapman	(appointed 26 Jan 2021)
Mr SA Davies	
Mr M Godfrey	(resigned 26 Jan 2021)
Mr RK Gordon	
Mr MH Green MBE	(resigned 26 Jan 2021)
Mr MZ Hamid	
Mr A Hudson	
Mrs AC Martin *	
Mr SJ McMenemy *	
Mr DW Montgomery ^	
Mrs GS Poulet–Bowden	
Ms AW Reynolds ^	(resigned 26 Jan 2021)
Mr MP Ripley	
Mr C Thompson	
Mr NJ Woodall	
Mrs J Taylor	(co–opted member)
Mr M Mortimer	(co–opted member)
Col A Lamb MBE CCF	(co–opted member)
Mr D Haigh	(co–opted member)

* denotes membership of the Finance and Compliance Committee

^ denotes membership of the Grants Committee

Combined Cadet Force Association

Reference and administrative information

For the eight months ended 31 March 2021

Key management personnel	Colonel MNS Urquhart OBE Mr RA Walton	Chief Executive Deputy Chief Executive
Bankers	Lloyds Bank plc Butler Place London SW1H 0PR	
Investment managers	Waverton Investment Management 16 Babmaes Street London SW1Y 6AH	
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane London EC1Y 0TL	

Combined Cadet Force Association

Trustees' annual report

For the eight months ended 31 March 2021

The trustees present their report and the audited financial statements for the eight months ended 31 March 2021.

Reference and administrative information set out on page 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The Combined Cadet Force Association has three charitable objects:

- (1) To develop the physical, mental, spiritual, moral and cultural capacity of young persons, and an understanding of personal values, through education in the context of adventurous and military style training, so that they may grow to full maturity as individuals and members of society;
- (2) To cultivate confidence, teamwork, judgement and powers of communication so that their conditions of life may be improved;
- (3) To promote the efficiency of the Combined Cadet Force through fostering cadet activity and advancing the youth leadership abilities of Cadet Force Adult Volunteers.

The charity's first purpose is therefore to ensure access to activities that will educate, develop and broaden the interests of the 46,070 young people who are cadets in the Combined Cadet Force (CCF). These young people are involved in one of 474 school-based CCF Contingents across the whole of the UK. The Association looks to enhance their development both through the delivery of support to contingents and by the making of grants to support individual cadets; to help new contingents to become established in state schools; or, to help existing contingents to improve their resilience and so ensure they are able to deliver development opportunities to young people for many years to come.

In support of the charity's second object the Association offers grants to enable cadets to take part in a wide range of activities. The charity supplies information regarding the setting up of a CCF Contingent to schools which have no contingents and to other interested organisations or persons. Finally, the charity carries out functions in the interests of the CCF as a whole such as the provision of insurance cover against accidents, travel difficulties and legal help.

To further the charity's third object the charity helps administer the national CCF First Aid competition and contributes to the delivery of courses for CCF adult volunteers. The charity also co-ordinates opportunities for cadets to take part in major national activities, such as the annual

Combined Cadet Force Association

Trustees' annual report

For the eight months ended 31 March 2021

remembrance weekend activities. Both the trustees and the staff of the charities invest time in promoting the ethos and activities of the CCF to wide audiences including school leadership and local communities as well as supporting CCF adult volunteers with access to information and introductions to useful organisations and individuals.

Although the charity has no executive role in the running of the CCF, which is the responsibility of the MOD and single services in partnership with schools, it is part of the national framework steering the CCF and its activities. The Chair and Chief Executive attend high level MOD steering group meetings. Also, through its open board meetings, the charity provides another forum for the MOD, single services and schools to exchange views.

The trustees review the aims, objectives and activities of the charity each year in the light of these charitable objects. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focussed on its stated purposes.

The enduring priority for Association's trustees is to ensure that young people are able to develop through membership of the CCF. This means a focus on some key areas:

- Support Cadet Force Adult Volunteers (CFAVs) to deliver a high-quality cadet experience.
- Supporting struggling CCF contingents in order to prevent them from closing.
- Removing barriers, such as cost, to individual cadet participation in CCF activities.
- Advocating for the CCF to key influencers in order that the benefits of CCF membership are widely understood and well supported.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Grant Programmes

The Association primarily furthers its objects through the awarding of grants to individual cadets and adult volunteers, or to CCF contingents. It runs two grant programmes: the Small Grants Programme and the Contingent Growth Fund. Two closed grant programmes: the Cadet Bursary Fund, and the CCF Sustainability Fund are no longer making new grants but continue to make grant payments agreed in the past. The remaining restricted funds which were given to CCFA for use in the Cadet Bursary fund were released (with the kind permission of the MoD) to further other activities of the Association. The Association makes grants on the following basis:

- Small Grants Programme. The Grants Committee considers grants on a termly basis. Individual grants up to a normal maximum of £300 are awarded to support a cadet to take part in a CCF activity they would otherwise be unable to afford and place great importance on the personal circumstances of the participant demonstrating a need for charitable

support. Applications are made on a form which is circulated to all CCF Contingents and the forms are considered by a committee of CCFA trustees. Grants are awarded with a requirement to report on the use of the grant within one month of the end of the activity being supported.

- **Contingent Growth Fund.** With the conclusion of the Cadet Expansion Programme and the stated ambition of the Government to increase the number of young people involved in each CCF Contingent, the trustees have established the Contingent Growth Fund. This fund seeks to fund initiatives aimed at improving the recruitment and retention of young people in CCF Contingents.

Impact of Coronavirus Restrictions on the Charity's Operation

The charity's executive staff have continued to work from home throughout this period and they and the trustees have continued to conduct the usual full range of business work effectively, efficiently and productively making full use of Zoom video meetings.

The Charity's primary activity is grant giving and is driven by applications from CCF contingents for their planned training activity. Despite proactive advertisement by the charity's staff, the demand for grants effectively dried up, which is not a surprise given that the second and third pandemic lockdowns dominated this short reporting period, therefore contingents were not conducting activities requiring grants.

Our income for the coming year is likely to be reduced slightly but the charity is healthy enough to weather that storm. Our investment income is likely to be reduced in the short term. In the medium term the trustees are alive to the possibility that anticipated Government funding cuts might lead to a reduction in income. In this situation the charity may need to prioritise particular activities. The charity is looking at a range of options as to the best way to effectively discharge its objects.

Achievements and performance

The charity's main activities and who it tries to help are described below. All its charitable activities focus on the cadets, volunteers and contingents of the CCF and are undertaken to further the Combined Cadet Force Association's charitable purposes for the public benefit.

The performance of the Association's grant programmes in the year was:

- **Small Grants Programme.** Since 2013 CCFA has committed to make up to £25,000 worth of small grants per annum. The Association normally makes grants each year to cadets and since 2019 to CCF Contingents with the creation of the CCF Group Activity Grant Programme. This year, with the cessation of cadet activities, applications to the Small Grants Programme have been affected. This year 1 (2020 – 41) grant was made, totalling £1,200 (2020 – £7,495). The grant supported the creation of a Remembrance Garden within the school grounds, a community project designed and carried out by the 200-cadet strong Contingent.

Combined Cadet Force Association

Trustees' annual report

For the eight months ended 31 March 2021

- CCF Sustainability Fund. This fund is used to build capacity within a CCF contingent to avert a likely closure. This year we paid grants of £560,539.35 to 89 CCF contingents (2020 – £14,982).
- Cadet Bursary Fund. This fund is designed to support schools starting a new CCF Contingent with the set-up costs. Typically, it is used to cover supply teaching costs and up to 50% of the costs of a dedicated person employed to support the CCF Contingent during the start-up phase. This year we paid grants of £98,400 (2020 – £223,733). The final grant applications were considered in July 2020, following which the programme was closed to new applications.
- Supporting Growth Fund. This fund aims to help schools to increase the number of cadets in their CCFs. An initial grant has been made from the fund of £677,257.12 to the Council of Reserve Forces' and Cadets' Associations (CRFCA) for the purpose of funding support workers in each region who will help to support growth in CCFs.

Beneficiaries of our services

The main way in which the Association delivers benefit to its beneficiaries is through the provision of grants. As explained earlier in the report grants are made either to support the contingent and its ability to deliver the cadet programme, or to individual cadets to enable them to access the full range of opportunities in their contingent.

In order to measure the difference that these grants have made the trustees ask for reports from grant recipients. These detail the impact of the grant and are used to help the trustees to decide both what funding to bid for and how best to structure the Association's grant programmes in the future.

Some examples of the impact on the beneficiaries detailed in the last section of this report include:

- Lisnargarvey High School CCF received a Small Grant to create a Remembrance Garden. Cadet Corporal Lee Seaton and Cadet Lance Corporal Kathryn Goble reported that *"our SSI came to us with the idea of making our own Remembrance Garden so we could have our own parade. She showed us the area we were going to use and the measurements and told us we needed to put our plans on paper, either hand drawn, on a computer or flip chart paper and gave us a two-week deadline"*. They also reflected *"our Garden was dedicated to a former pupil of our school and his niece is head girl so she was able place a wooden cross in memory of him. We all enjoyed creating this garden and now it is ours to spend time in during our breaks in School and when we leave School we know we all helped create a little bit of history."*
- Ernest Bevin College CCF received a Sustainability Grant last year to purchase plywood rifles and fleece jackets to enhance their training activities. They reported that *"the purchase of the plywood rifles has had a massive impact on our ability to carry out practical training on a Tuesday afternoon. As a result, we are seeing the best levels of attendance we have ever seen with around 90% of cadets attending each week."* The grant

Trustees' annual report

For the eight months ended 31 March 2021

has also contributed to the growth of their CCF, with numbers due to nearly double as *“the contingent’s ability to provide practical and interesting training, added by the grant, has resulted in 26 applications to join from September 2021.”*

- Noel Connolly, Contingent Cdr KMC CCF at Kingston Maurward College *“The development of Cadet’s resilience during these adverse times was clear to see. The willingness to adapt to a new way of doing things and the willingness to support each other was clear for all volunteers to witness.”* He also added *“The CCF has had palpable benefits for the College outside, as part of our commitment to supporting the forces. It has resulted in increased exposure and relationships which have supported our growth and reputation, but equally importantly it has enhanced the student offer and generated a greater esprit de corps within the organisation as a whole.”* Kingston Maurward College received a grant through the Sustainability Fund.

Financial review

The statement of financial activities for the period is set out on page 19 of the financial statements. A summary of the financial results and the work by the Association is set out below.

Income for the eight months ended 31 March 21 included donations and legacies of £187,913 (2020 – £498,400), income for supporting contingents of £NIL (2020 – £1,664,918) which reflects a large one-off grant received in the prior year, income for supporting cadets and volunteers of £31,043 (2020 – £25,408) and investment income and interest of £13,839 (2020 – £23,280). Total gross income amounted to £232,795 (2020 – £2,221,684).

Expenditure for the period comprised costs of raising funds of £300 (2020 – £600), costs of activities in support of contingents increased to £1,640,540 (2020 – £593,291) which reflects the planned expenditure against the larger grant programmes using funds in hand and costs of supporting cadets and volunteers of £16,826 (2020 – £17,502). Total expenditure amounted to £1,657,666 (2020 – £611,393).

Net expenditure for the year before investment gains/(losses) amounted to £1,424,871 (2020 – net income of £1,610,291).

The trustees expect the charity to exist in perpetuity and its investment policy is designed to support the long-term financial health of the charity. The Association adopted a new investment policy in October 2020; its stated objectives are to:

- Produce the best financial return within an acceptable level of risk.
- Generate a return of CPI plus 3% per annum over the medium term (defined as a six-year average), after expenses.

The Association has adopted a total return approach to investment, generating the investment return from income and capital gains or losses. It is expected that if in any one year the total

Combined Cadet Force Association

Trustees' annual report

For the eight months ended 31 March 2021

return is insufficient to meet the growth target, in the long term the real value of the investments will still grow in accordance with the investment objectives above.

The Association has decided not to invest in assets that the trustees consider to be contrary to the spirit of its objects. In particular tobacco, alcohol and pornography are to be excluded from our investments. The trustees have agreed a process with our investment managers as to how these restrictions are to be applied.

During the year net gains on the fair value of investments amounted to £45,532 (2020 – net losses of £2,292). The investment objective is to generate a return of CPI plus 3% per annum over the medium term. The six-year average (CPI + 3%) to the end of Mar 21 has been calculated as 4.57%. This compares to a four reporting-period average return of 5.77% in the portfolio since the move of investment managers. The trustees recognise that a four reporting-period average is a shorter period than the six-year average that is the benchmark and are therefore satisfied with the investment performance in the year.

In order to support the efficient delivery of our grant programmes and to efficiently manage cash flow, the trustees have directed that funds earmarked for grant making are to be held in cash deposit accounts of no more than 24 months in duration. At the end of 2021 the funds held on deposit were £1.6m.

Principal risks and uncertainties

The trustees examine the major risks that the Association faces each financial year during routine board meetings and in meetings between the senior trustees and the Chief Executive. The charity has systems in place to monitor and control these risks to mitigate any impact that they may have on the Association's activities in the future.

The key risks for the charity, as identified by the trustees, are described below together with the principal way in which they are mitigated:

- **Financial Risk.** The large grants to operate specific grants programmes have now ended. CCFA has the staff managing these programmes on time-limited contracts and has factored in the costs of reducing the headcount. Simultaneously CCFA is seeking new funds to run grant programmes for CCF cadets and contingents.
- **Staff Risk.** The success of the CCFA's programme of work depends on decent, fit, well-motivated staff. The trustees seek to ensure this by: having appropriate recruitment, complaints and HR policies and ensuring they are adhered to; a system of annual staff appraisal; holding appropriate insurance; ensuring the policies are kept up to date and are easily accessible to all staff and managers; and obtaining appropriate specialist HR advice for individual issues.
- **Governance Risk.** The success of the CCFA's programme of work depends on good governance. The trustees seek to ensure this by: having appropriate recruitment and appointment processes; regular reviews of the board's structure, competence and diversity;

holding appropriate insurance to protect trustees; and ensuring trustees retire at a rate of approximately a third each year.

- Loss of relevance risk. Whilst the trustees have no doubt that the charity has a clear and enduring purpose, it is a challenge to stay in touch with its primary beneficiaries, the contingents of the CCF. The trustees have therefore begun a programme of work to identify ways to better communicate with the CCF contingents, thus enabling them to have a full understanding of the charity, its objects and how CCFA can support them as they develop young people.

Reserves policy and going concern

The CCFA adopted a new Reserves Policy in December 2019. The purpose of the policy is to ensure the ongoing operations of the charity are protected in the event of a sudden decline in the financial health of the charity. The reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The reserve may also be used for one-time, non-recurring expenses that will build long-term capacity, such as staff development or investment in infrastructure.

The reserve is defined as unrestricted funding that has not been designated for a specific purpose. The reserve will be an amount sufficient to maintain ongoing operations and programs for three to six months. The reserve will be reviewed and adjusted in response to internal and external changes. The target minimum reserve fund is equal to 3 months of operating costs and is calculated at the start of the year based on the budget. This year the minimum level of reserves was calculated as £425,403 (2020 – £425,366).

From time to time the trustees might choose to designate funds for long term investment in order to realise an income that can be used to further the charity's objects. These funds will not be counted as part of the charity's free reserves.

Actual free reserves in 2021 were £491,283 (2020: £509,333).

This means that free reserves are approximately £66K or 13% (2020 – £84K or 16%) in excess of the minimum level of reserves. The trustees are content that reserves are within the target level.

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Fundraising

The charity is not a member of the Fundraising Regulator because it does not engage in the kind of fundraising activity that would make this a requirement. The charity's approach to fundraising activity is to seek grants from organisations in order to achieve a particular aim, for example to invest in the sustainability of existing CCF contingents. Where an individual or group with an interest in the cadet movement would like to support cadets, we invite them to donate to the CCFA. We do not use a professional fundraiser or a commercial participator.

We offer the facility for individuals to make one off or repeat donations online and offer membership of the CCFA to repeat individual donors or CCF Contingents. We have received no complaints about fundraising.

We do not contact our members or supporters to solicit donations, although this is something we might consider doing should we have a specific fundraising objective in the future.

Plans for the future

The Association intends to consider how best to support the vastly increased number of CCF contingents now HM Government's Cadet Expansion Programme has ended. In particular the trustees are keen to ensure that they retain the long-term ability to make appropriate grants to support the CCF.

In terms of the future governance of the charity the trustees consider that a review will be in order over the course of the next year. They recognise that the CCFA has a particularly large board of trustees and intends to undertake a review to ensure that the board has the knowledge, skills and experience required to govern the charity effectively. The trustees are also concerned that the objects may need to be updated to reflect the fact that the CCF and the CCFA are distinct and separate organisations. Over the next two years a review of the objects will be conducted to ensure they are properly charitable and fit for purpose.

The CCFA has approached the Charity Commission for Northern Ireland and attempted to register with them as the charity operates in Northern Ireland. The commission has responded to say that they are in the process of registering charities that are not regulated by another UK charity regulator first and will contact the CCFA when they are ready to process our application.

In terms of grant giving activity, CCFA continues to work with a range of funders to identify sources of funding for sustainability projects to prevent the closure of CCF Contingents in schools that are struggling to keep their contingent going. The trustees are grateful to the Gareth Neame Foundation for providing continued funding to enable the small grants programme to continue. The Government has stated that it would like to see an increase the overall number of young people involved in cadet activity and the trustees are in discussions with the charity's funders and partners to work out how best to support this aspiration.

Structure, governance and management

The Combined Cadet Force Association (CCFA) is a registered charity and a company limited by guarantee, not having a share capital. The entity was incorporated on 25 October 2016 and registered as a charity with the Charity Commission for England and Wales on 5 January 2017 and the Office of the Scottish Charity Regulator on 22 December 2017. It is governed by its memorandum and articles of association which were adopted on 4 October 2016. This arrangement replaced an earlier construct of the CCFA which was constituted by a trust deed and registered with the Charity Commission in 1963 under charity number 305988. The assets of this earlier version of the CCFA were transferred to the new construct which was duly re-registered with the Charity Commission under charity number 1170994.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

The part time Chief Executive of the charity is Colonel (Retired) Murdo Urquhart OBE, who heads a small team of staff comprising Richard Walton, the part time Deputy Chief Executive, and five full-time equivalent members of staff who carry out particular functions across the UK.

The annual budget is agreed by the Finance and Compliance Committee. The senior trustees (President, Chair, Vice Chair, and Treasurer) are consulted by the Chief Executive on a regular basis and on all matters that are considered by him to be strategic, novel or contentious. These consultations are largely conducted by video conference, telephone and e-mail or at informal "management board" meetings.

There are a number of formal trustee meetings. The CCFA Board of Trustees meets twice per year. Amongst other papers the Board receives:

- A report from the Finance and Compliance Committee of the CCFA; including the audited financial statements of the Association. The audited financial statements are agreed and signed off at this meeting.
- An updated register of the diverse risks being managed by the charity.

The Board has two sub committees and one joint sub-committee with its sister charity, the ACFA. The Finance and Compliance Committee carries out the overall financial management of the Association (including agreeing the annual budget, the raising, investment and direction of funds, and the oversight of financial processes) and the regular review of the charity's governance arrangements. The Committee consists of the Treasurer, the Vice Chair, the Legal and Governance Adviser and the School Finance Adviser. It meets four times per year after the end of each financial quarter and reports at both board meetings.

The second sub-committee is the Grants Committee, chaired by the Vice Chair and including at least two other trustee members. This committee sets the overall policy for grants and makes decisions about which applications to fund. It considers applications approximately three times per year.

Trustees' annual report

For the eight months ended 31 March 2021

The Joint ACFA and CCFA HR and Remuneration Committee includes two CCFA trustees (the Treasurer and Legal Adviser). It exercises the trustees' responsibilities for oversight of the remuneration of the CCFA's employees. In setting the salary levels for the Association the trustees carry out a comparison with a suitable benchmark. The HR and Remunerations Committee is tasked each year to ensure that all salaries, including those of the senior officers of the charity, are commensurate with this measure. This includes a review of the salary bands.

Appointment of trustees

Trustees are appointed for a period of three years and encouraged to serve for no more than two terms to ensure regular turnover of trustees. Where a successor cannot be found a trustee could stand for re-election and there is no restriction in the articles on the number of times an individual can stand for re-election.

Trustees are considered to be one of two "types" (with identical rights and obligations). The first type is a serving CCF Contingent Commander who is elected to represent the CCF Contingents in one of 13 regions of the UK. The second type of trustee is a private individual who is recruited to bring particular skills to the board in order to improve the ability of the trustees to govern the charity.

The core of the board of trustees are the representative contingent commanders. Careful thought by the management board goes into ensuring that they represent a fair balance of: state and independent schools; and Royal Navy, Army and RAF contingents.

The process for identifying new trustees is twofold. In the case of representative contingent commanders, when replacements are required, volunteers are sought from within the members of the relevant region. Ideally this is done during regional conferences when it is transparent to all present. In the case of trustees with specialist knowledge and experience, any means will be used to find the right person. The process for advertising for and recruiting trustees will be considered as part of the upcoming governance review.

If a trustee is appointed during the year they are co-opted by the trustees and then formally elected at the next AGM for a period of three years.

Trustee induction and training

There are four parts to trustees' induction. They:

- are provided with a pack of information about CCFA;
- visit the charity's offices in London to meet the key staff;
- receive an introductory brief by the Chief Executive explaining how CCFA supports the armed forces' chains of command to run the CCF and deliver cadet training, and how CCFA represents the interests of the civilian CFAVs who deliver that training; and,
- for trustees with no experience of the CCF, the offer to facilitate a visit to a CCF contingent, either during a parade afternoon at school or annual camp.

Related parties and relationships with other organisations

The Association has relationships with all CCF Contingents and officers from 12 contingents are trustees of the CCFA. The trustees ensure that they keep good records of who is associated with which contingent and absent themselves from any decision making that could give a real or perceived benefit to their contingent (most commonly the award of a grant). Such related party transactions are disclosed in note 10 to the accounts.

The charity shared offices and staff with a sister charity, the Army Cadet Force Association (305962). The two charities employ staff on joint contracts which are managed through the Army Cadet Force Association and the staff costs relating to CCFA are recharged on a monthly basis. In addition, the Treasurer, Julia Hodgson, works for the Bank of England which has a role in prudential regulation and she therefore takes no part in discussions or decisions relating to the charity's investment plans and portfolio.

Remuneration policy for key management personnel

The Trustees consider that they together with the Chief Executive and the Deputy Chief Executive comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All employees are jointly contracted by CCFA with our sister charity the Army Cadet Force Association. Oversight of the staffing arrangements is exercised through the joint ACFA and CCFA HR and Remunerations Committee as described above.

Statement of responsibilities of the trustees

The trustees (who are also directors of the Combined Cadet Force Association for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

Combined Cadet Force Association

Trustees' annual report

For the eight months ended 31 March 2021

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- 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 corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2021 was 347 (2020: 229). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was reappointed as the charitable company's auditor during the year and has expressed its willingness to act in that capacity.

The trustees' annual report has been approved by the trustees on 17 August 2021 and signed on their behalf by

Air Vice Marshal Nigel Maddox CBE
Chair

Independent auditor's report

To the members of

Combined Cadet Force Association

Opinion

We have audited the financial statements of Combined Cadet Force Association (the 'charitable company') for the period ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

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 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 Association'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.

Independent auditor's report

To the members of

Combined Cadet Force Association

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 trustees' annual report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- The 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Independent auditor's report

To the members of

Combined Cadet Force Association

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 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 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance and compliance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;

Independent auditor's report

To the members of

Combined Cadet Force Association

- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available 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 charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose.

Independent auditor's report

To the members of

Combined Cadet Force Association

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

7 December 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Combined Cadet Force Association

Statement of financial activities (incorporating an income and expenditure account)

For the period ended 31 March 2021

	Note	Unrestricted £	Restricted £	8 months ended 31 March 2021 Total £	Unrestricted £	Restricted £	12 months ended 31 July 2020 Total £
Income from:							
Donations and legacies	2	152,470	35,443	187,913	421,540	76,860	498,400
Charitable activities	3						
Supporting contingents		-	-	-	1,604,030	60,888	1,664,918
Supporting cadets and volunteers		21,043	10,000	31,043	15,408	10,000	25,408
Investments	4	13,839	-	13,839	23,280	-	23,280
Other income		-	-	-	9,678	-	9,678
Total income		187,352	45,443	232,795	2,073,936	147,748	2,221,684
Expenditure on:							
Raising funds	5	300	-	300	600	-	600
Charitable activities							
Supporting contingents	5	1,520,053	120,487	1,640,540	240,184	353,107	593,291
Supporting cadets and volunteers	5	15,626	1,200	16,826	10,007	7,495	17,502
Total expenditure		1,535,979	121,687	1,657,666	250,791	360,602	611,393
Net (expenditure)/income before net gains/(losses) on investments		(1,348,627)	(76,244)	(1,424,871)	1,823,145	(212,854)	1,610,291
Net gains/(losses) on investments	13	45,532	-	45,532	(2,292)	-	(2,292)
Net income / (expenditure) for the year	7	(1,303,095)	(76,244)	(1,379,339)	1,820,853	(212,854)	1,607,999
Transfers between funds		391,815	(391,815)	-	-	-	-
Net movement in funds		(911,280)	(468,059)	(1,379,339)	1,820,853	(212,854)	1,607,999
Reconciliation of funds:							
Total funds brought forward		3,600,347	625,702	4,226,049	1,779,494	838,556	2,618,050
Total funds carried forward		2,689,067	157,643	2,846,710	3,600,347	625,702	4,226,049

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

Combined Cadet Force Association

Balance sheet

Company no. 10445616

As at 31 March 2021

	Note	£	31 March 2021 £	£	31 July 2020 £
Fixed assets:					
Investments	13		646,270		595,296
			646,270		595,296
Current assets:					
Debtors	14	2,536		72,226	
Short term deposits		600,164		1,500,000	
Cash at bank and in hand		1,678,092		2,105,965	
		2,280,792		3,678,191	
Liabilities:					
Creditors: amounts falling due within one year	15a	(44,402)		(29,588)	
Net current assets			2,236,390		3,648,603
Total assets less current liabilities			2,882,660		4,243,899
Creditors: amounts falling due after one year	15b		(35,950)		(17,850)
Total net assets			2,846,710		4,226,049
The funds of the charity:					
Restricted income funds	17a		157,643		625,702
Unrestricted income funds:					
Designated funds:		2,197,784		3,091,014	
General funds		491,283		509,333	
Total unrestricted funds			2,689,067		3,600,347
Total charity funds			2,846,710		4,226,049

Approved by the trustees on 17 August 2021 and signed on their behalf by

Julia Hodgson
Treasurer

Michael Hampshire
Vice Chair

Combined Cadet Force Association

Statement of cash flows

For the period ended 31 March 2021

	Note	8 months ended 31 March 2021		12 months ended 31 July 2020	
		£	£	£	£
Cash flows from operating activities					
Net (expenditure)/income for the reporting period (as per the statement of financial activities)		(1,379,339)		1,607,999	
(Gains)/losses on investments		(45,532)		2,292	
Dividends, interest and rent from investments		(13,839)		(23,280)	
Increase/(decrease) in debtors		69,690		(25,459)	
Decrease/(increase) in creditors		32,914		(55,035)	
Net cash (used in)/provided by operating activities			(1,336,106)		1,506,517
Cash flows from investing activities:					
Dividends, interest and rents from investments		13,839		23,280	
Proceeds from sale of investments		-		25,540	
Movement in short term deposit		899,836		(1,500,000)	
Purchase of investments		-		(26,164)	
Movement in cash held by investment managers		(5,442)		(11,378)	
Net cash provided by/(used in) investing activities			908,233		(1,488,722)
Change in cash and cash equivalents in the year			(427,873)		17,795
Cash and cash equivalents at the beginning of the year			2,105,965		2,088,170
Cash and cash equivalents at the end of the year			1,678,092		2,105,965

1 Accounting policies

a) Statutory information

Combined Cadet Force Association is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address and principal place of business is Holderness House, 51–61 Clifton Street, London, EC2A 4DW.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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 (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Key judgements that the charity has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1 Accounting policies (continued)

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in making its investment portfolio.
- Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising overhead costs of the central function, is apportioned on the following basis which are an estimate of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Notes to the financial statements

For the period ended 31 March 2021

1 Accounting policies (continued)

n) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing #quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 24 months.

q) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

s) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Income from donations and legacies

	8 months ended 31 March 2021			12 months ended 31 July 2020		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Donations	-	-	-	13,418	-	13,418
Legacies	-	-	-	30	-	30
Donated services	5,040	-	5,040	8,100	-	8,100
Ministry of Defence grant	147,430	35,443	182,873	399,992	76,860	476,852
	<u>152,470</u>	<u>35,443</u>	<u>187,913</u>	<u>421,540</u>	<u>76,860</u>	<u>498,400</u>

The Reserve Forces and Cadets Association for Greater London kindly donates office space to the CCFA. This is recognised at the estimated cost of securing suitable alternative office space.

Combined Cadet Force Association

Notes to the financial statements

For the period ended 31 March 2021

3 Income from charitable activities

	8 months ended 31 March 2021			12 months ended 31 July 2020		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Supporting contingents						
Cadet Bursary Fund	-	-	-	-	60,888	60,888
CCF Sustainability Fund	-	-	-	1,600,000	-	1,600,000
Annual dinner	-	-	-	4,030	-	4,030
Sub-total	-	-	-	1,604,030	60,888	1,664,918
Supporting cadets and volunteers						
Subscriptions	21,043	-	21,043	15,408	-	15,408
Donations	-	10,000	10,000	-	10,000	10,000
Sub-total	21,043	10,000	31,043	15,408	10,000	25,408
Total	21,043	10,000	31,043	1,619,438	70,888	1,690,326

The annual dinner has now ceased. The large grants received in the past from the MoD for sustainability have now ceased and some routine fundraising income over the summer is excluded by the short reporting period. With reduced activity owing to coronavirus restrictions, fundraising has not been as active this year.

4 Income from investments

	8 months ended 31 March 2021 Total £	12 months ended 31 July 2020 Total £
Dividends	5,742	12,601
Bank interest	8,097	10,679
	13,839	23,280

All income from investments is unrestricted.

Combined Cadet Force Association

Notes to the financial statements

For the period ended 31 March 2021

5a Analysis of expenditure (current year)

	Charitable activities					8 months ended 31 March 2021 £	12 months ended 31 July 2020 £
	Raising funds £	Supporting contingents £	Supporting cadets and volunteers £	Governance costs £	Support costs £		
Staff costs (Note 8)	-	165,841	15,464	-	60,348	241,653	239,898
Grant making (Note 6)	-	1,375,977	1,200	-	-	1,377,177	246,210
Direct activity costs	-	370	162	-	-	532	41,101
Annual dinner costs	-	1,560	-	-	-	1,560	11,184
Insurance	-	-	-	-	419	419	5,920
Marketing and advertising	-	15,511	-	-	-	15,511	45,670
Premises costs	-	-	-	-	5,040	5,040	8,100
Audit and accountancy fees	-	-	-	11,910	-	11,910	8,010
Trustee expenses and AGM	-	-	-	2,536	-	2,536	1,237
Investment manager fees	300	-	-	-	-	300	600
Other	-	-	-	-	1,028	1,028	3,463
	300	1,559,259	16,826	14,446	66,835	1,657,666	611,393
Support costs	-	66,835	-	-	(66,835)	-	-
Governance costs	-	14,446	-	(14,446)	-	-	-
Total expenditure 2021	300	1,640,540	16,826	-	-	1,657,666	
Total expenditure 2020	600	593,291	17,502	-	-		611,393

Combined Cadet Force Association

Notes to the financial statements

For the period ended 31 March 2021

5b Analysis of expenditure (prior year)

	Charitable activities					12 months ended 31 July 2020 £
	Raising funds £	Supporting contingents £	Supporting cadets and volunteers £	Governance costs £	Support costs £	
Staff costs (Note 8)	-	169,617	9,909	-	60,372	239,898
Grant making (Note 6)	-	238,715	7,495	-	-	246,210
Direct activity costs	-	41,003	98	-	-	41,101
Annual dinner costs	-	11,184	-	-	-	11,184
Insurance	-	-	-	-	5,920	5,920
Marketing and advertising	-	45,670	-	-	-	45,670
Premises costs	-	-	-	-	8,100	8,100
Audit fees	-	-	-	8,010	-	8,010
Trustee expenses and AGM	-	-	-	1,237	-	1,237
Investment manager fees	600	-	-	-	-	600
Other	-	-	-	-	3,463	3,463
	600	506,189	17,502	9,247	77,855	611,393
Support costs	-	77,855	-	-	(77,855)	-
Governance costs	-	9,247	-	(9,247)	-	-
Total expenditure 2020	600	593,291	17,502	-	-	611,393

6 Grant making

A list of the School CCF Contingents that have received grants from the CCFA is in note 19.

In addition to the amounts committed and accrued, the CCFA authorises certain grants which are subject to acceptance of the terms and conditions such as the employment of a School Staff Instructor. The total amount authorised, but not accrued for, was £112,799 (2020: £187,647).

	8 months ended 31 March 2021 £	12 months ended 31 July 2020 £
Supporting contingents		
CCF Sustainability Fund	635,367	14,982
Contingent Growth Fund	677,257	–
Cadet Bursary Fund	63,353	223,733
Supporting cadets and volunteers		
Small grants programme	1,200	7,495
At the end of the year	<u>1,377,177</u>	<u>246,210</u>

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	8 months ended 31 March 2021 £	12 months ended 31 July 2020 £
Auditor's remuneration (excluding VAT):		
Audit – current year	7,900	7,750

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	8 months ended 31 March 2021 £	12 months ended 31 July 2020 £
Staff costs were as follows:		
Salaries and wages	214,501	190,352
Social security costs	14,969	26,470
Employer's contribution to defined contribution pension schemes	12,183	23,076
	<u>241,653</u>	<u>239,898</u>

No employee earned more than £60,000 during the year (2020: nil).

The trustees consider that they, together with the Chief Executive and the Deputy Chief Executive comprise the key management personnel of the charity. The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £60,348 (2020: £60,372).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2020: £1,237) incurred by nil (2020: 8) members relating to attendance at meetings of the trustees.

9 Staff numbers

The full time equivalent staff carrying out work for the CCFA during the year was 6 (2020: 8).

Because the CCFA shares its back office functions with the Army Cadet Force Association it has chosen to employ all staff across both charities on joint contracts. This means that the charities gain flexibility and economies in how staff support the charities. However this joint contract arrangement requires CCFA to disclose the average number of employees for the two charities combined. This is taken as a head count based on number of staff employed. During the year this was 52 (2020: 46).

10 Related party transactions

Recharges of £169,427 (2020: £239,898) were made by the Army Cadet Force Association, a registered charity, which provides resources to the CCFA at cost. Of this £98,964 (2020: £169,617) is included in supporting contingents, £10,115 (2020: £9,909) is included in supporting cadets and volunteers and £60,348 (2020: £60,372) is included in support costs.

On occasion grants are awarded to contingents at which trustees are adult volunteers. Decisions about who to award funds to are made by the Grants Committee. On the rare occasion a trustee's contingent has applied for a grant, that trustee will not be a party to the discussion of their contingent's application. If they sit on the Grants Committee they will leave the room for that part of the meeting.

There were NIL (2020: three) transactions of the above type relating to NIL (2020: two) regional trustees totalling £NIL (2020: £1,600) during the year.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

11 Amounts disbursed as agent

The Combined Cadet Force Association acts as an agent for members requiring insurance. Income and related disbursements are therefore excluded from the statement of financial activities. During the year, funds of £30,618.29 (2020: £30,168) were received, £20,955 (2020: £20,490) was expended, £nil (2020: £nil) was receivable and £nil (2020: £9,678) was written off and moved to miscellaneous income at 31 July 2020. This is in line with the charity's policy on treatment of surplus and deficit insurance receipts.

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Combined Cadet Force Association

Notes to the financial statements

For the period ended 31 March 2021

13 Listed investments

	31 March 2021 £	31 July 2020 £
Fair value at the start of the year	581,561	583,229
Additions at cost	–	26,164
Disposal proceeds	–	(25,540)
Net gain/(loss) on change in fair value	45,532	(2,292)
	<u>627,093</u>	<u>581,561</u>
Cash held by investment broker pending reinvestment	19,177	13,735
Fair value at the end of the year	<u>646,270</u>	<u>595,296</u>

Investments comprise:

	31 March 2021 £	31 July 2020 £
Funds listed on the London Stock Exchange	627,093	581,561
Cash	19,177	13,735
	<u>646,270</u>	<u>595,296</u>

14 Debtors

	31 March 2021 £	31 July 2020 £
Other debtors	–	72,226
Prepayments	2,536	–
	<u>2,536</u>	<u>72,226</u>

15a Creditors: amounts falling due within one year

	31 March 2021 £	31 July 2020 £
Grants payable	30,982	9,375
Trade Creditors	900	2,610
Accruals	12,520	7,603
Deferred income	–	10,000
	<u>44,402</u>	<u>29,588</u>

15b Creditors: amounts falling due after one year

	31 March 2021 £	31 July 2020 £
Grants payable – due in 2–5 years	35,950	17,850
	<u>35,950</u>	<u>17,850</u>

Combined Cadet Force Association

Notes to the financial statements

For the period ended 31 March 2021

16a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Investments	-	646,270	-	646,270
Net current assets	527,233	1,551,514	157,643	2,236,390
Long term liabilities	(35,950)	-	-	(35,950)
Net assets at 31 March 2021	491,283	2,197,784	157,643	2,846,710

16b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Investments	-	595,296	-	595,296
Net current assets	527,183	2,495,718	625,702	3,648,603
Long term liabilities	(17,850)	-	-	(17,850)
Net assets at 31 July 2020	509,333	3,091,014	625,702	4,226,049

17a Movements in funds (current year)

	At 1 August 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
Restricted funds:					
Cadet Bursary Fund	595,862	-	(105,575)	(391,815)	98,472
Small Grants Fund	6,375	10,000	(1,200)	-	15,175
CCF Conference Fund	3,465	-	-	-	3,465
CCF Equipment Fund	20,000	-	-	-	20,000
CCF Marketing Fund	-	35,443	(14,912)	-	20,531
Total restricted funds	625,702	45,443	(121,687)	(391,815)	157,643
Unrestricted funds:					
Designated funds:					
CCF Sustainability Fund	1,495,719	-	(658,763)	(813,849)	23,107
Grant Generation Fund	595,295	5,742	(300)	45,533	646,270
Contingent Growth Fund	1,000,000	-	(677,257)	1,205,664	1,528,407
Total designated funds	3,091,014	5,742	(1,336,320)	437,348	2,197,784
General funds	509,333	227,142	(199,659)	(45,533)	491,283
Total unrestricted funds	3,600,347	232,884	(1,535,979)	391,815	2,689,067
Total funds	4,226,049	278,327	(1,657,666)	-	2,846,710

The narrative to explain the purpose of each fund is given at the foot of the note below.

17b Movements in funds (prior year)

	At 1 August 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 July 2020 £
Restricted funds:					
Cadet Bursary Fund	834,686	60,888	(299,712)	-	595,862
CCF Sustainability Fund	-	33,000	(33,000)	-	-
Small Grants Fund	3,870	10,000	(7,495)	-	6,375
CCF Conference Fund	-	13,860	(10,395)	-	3,465
CCF Equipment Fund	-	20,000	-	-	20,000
Regional Fund for London	-	10,000	(10,000)	-	-
Total restricted funds	838,556	147,748	(360,602)	-	625,702
Unrestricted funds:					
Designated funds:					
CCF Sustainability Fund	-	1,600,000	(104,281)	-	1,495,719
Grant generation Fund	-	12,601	(600)	583,294	595,295
Contingent growth Fund	-	-	-	1,000,000	1,000,000
Total designated funds	-	1,612,601	(104,881)	1,583,294	3,091,014
General funds	1,779,494	461,335	(148,202)	(1,583,294)	509,333
Total unrestricted funds	1,779,494	2,073,936	(253,083)	-	3,600,347
Total funds	2,618,050	2,221,684	(613,685)	-	4,226,049

Purposes of restricted funds

Cadet Bursary Fund – this represents income received in order to be used to support the set up costs of new CCF Contingents in state schools.

CCF Sustainability Fund – this represents income received in order to be used to support sustainability projects in CCF Contingents at risk of closure, or for marketing purposes.

Small Grants Fund – this represents income received in order to be used to support individual cadets to be able to access the full cadet experience unhindered by the vagaries of personal circumstance.

CCF Conference Fund – this represents income received in order to be used to support CCF conferences and events.

CCF Equipment Fund – this represents income received in order to be used to purchase equipment in support of the CCF.

Regional Fund for London – this represents income received in order to fund support staff in the London Region.

Purposes of designated funds

Grant Generation Fund – these are funds set aside by the trustees and treated in the same way as an endowment in order to generate funds that can be used in CCFA's grant programmes.

Contingent Growth Fund – these funds are intended to help CCF contingents to cater for a larger number of young people so that they can take part in CCF activities each year.

Notes to the financial statements

For the period ended 31 March 2021

18 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

19 School CCF Contingents that have received grants from the CCFA for the period ended 31 March 2021

ACKLAM GRANGE SCHOOL	ONSLow ST AUDREY'S SCHOOL
ALDERMAN PEEL HIGH SCHOOL	OUTWOOD GRANGE ACADEMY
ALL SAINTS ACADEMY	PHILIPS HIGH SCHOOL
ARK ALEXANDRA ACADEMY	PHOENIX COLLEGIATE
ARTHUR MELLOWS VILLAGE COLLEGE	PINNER HIGH SCHOOL
AVANTI HOUSE	POLAM HALL SCHOOL
BARR BEACON SCHOOL	POOLE HIGH SCHOOL
BAXTER COLLEGE	PORTSMOUTH COLLEGE
BEDLINGTON ACADEMY	PRIORY INTEGRATED COLLEGE
BLESSED JOHN HENRY NEWMAN RC COLLEGE	Q3 ACADEMY GREAT BARR
BLOXWICH ACADEMY	Q3 ACADEMY LANGLEY
BOLDON SCHOOL	QUEEN ELIZABETH SIXTH FORM COLLEGE
BROADGREEN INTERNATIONAL SCHOOL	RATTON SCHOOL
CAMBORNE SCIENCE AND INTERNATIONAL ACADEMY	SAMWORTH CHURCH ACADDEMY
CITY OF LONDON ACADEMY Highbury Grove	SEXEY'S SCHOOL
COLTON HILLS COMMUNITY SCHOOL	SIR CHRISTOPHER HATTON ACADEMY
COOKSTOWN HIGH SCHOOL	SMALL HEATH LEADERSHIP ACADEMY
DAME ELIZABETH CADBURY	ST ANTHONYS CATHOLIC COLLEGE
DE LA SALLE ACADEMY	ST CATHERINE'S COLLEGE
EAST NORFOLK SIXTH FORM COLLEGE	ST JOHN FISHER CATHOLIC HIGH SCHOOL
ERNEST BEVIN COLLEGE	ST PAUL SCHOOL FOR GIRLS
ETONE COLLEGE	ST PETER'S CATHOLIC COLLEGE
FOLKESTONE ACADEMY	STRATHEARN SCHOOL (GIRLS)
GLYN SCHOOL	THE BELVEDERE ACADEMY
GREATER PETERBOROUGH UTC	THE BRAKENHALE SCHOOL
HOLLY LODGE SCHOOL	THE CITY OF DERBY ACADEMY
HOLYPORT COLLEGE	THE ELIZABETHAN ACADEMY
HORSFORTH SCHOOL	THE FOLKESTONE SCHOOL FOR GIRLS
JEWELLERY QUARTER ACADEMY	THE HAYESBROOK SCHOOL
JEWISH FREE SCHOOL	THE KHALSA ACADEMY WOLVERHAMPTON
JOHN MADEJSKI ACADEMY	THE MALLING SCHOOL
KHALSA SECONDARY ACADEMY	THE MARLBOROUGH SCIENCE ACADEMY
KINGS LEADERSHIP ACADEMY HAWTHORNES	THE PRIORY CITY OF LINCOLN ACADEMY
KINGS LEADERSHIP ACADEMY LIVERPOOL	THE PRIORY RUSKIN ACADEMY
KINGS LEADERSHIP ACADEMY WARRINGTON	THE PRIORY WITHAM ACADEMY
KINGSFORD COMMUNITY SCHOOL	THE SAMWORTH CHURCH ACADEMY
KINGSTON MAURWARD	THISTLEY HOUGH ACADEMY
LARNE HIGH SCHOOL	THOMAS ESTLEY COMMUNITY COLLEGE
LAURELHILL COMMUNITY COLLEGE	TILE CROSS ACADEMY
LIPSON COOPERATIVE ACADEMY	TORQUAY ACADEMY
LISNAGARVEY HIGH SCHOOL	UNITY CITY ACADEMY
LLANWERN HIGH SCHOOL	UTC PLYMOUTH
MAGNUS CHURCH OF ENGLAND ACADEMY	UTC WARRINGTON
MONTSAE ACADEMY	VICTORY ACADEMY
MOSSBOURNE ACADEMY	WESTCLIFF HIGH SCHOOL FOR BOYS
NENE PARK ACADEMY	WHITECROSS HEREFORD
NORTHBROOK METROPOLITAN COLLEGE (GBMC)	WRENN SCHOOL