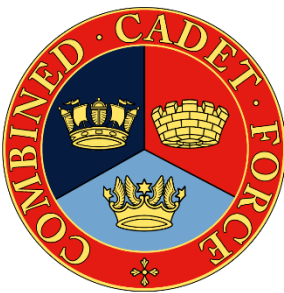


Company number: 10445616
Charity Number: 1170994
Scottish Charity Number: SC048021



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

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For the eight months ended 31 March 2021

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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 and operational address	Holderness House 51–61 Clifton Street London EC2A 4DW
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Captain General of the CCF	Her Majesty The Queen
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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:
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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	

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

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.

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

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;

Trustees' annual report

For the eight months ended 31 March 2021

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 participant.

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

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.

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.

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

				8 months ended 31 March 2021 Total £			12 months ended 31 July 2020 Total £
	Note	Unrestricted £	Restricted £		Unrestricted £	Restricted £	
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:	17a				
Restricted income funds			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.

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
	152,470	35,443	187,913	421,540	76,860	498,400

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 Total £			12 months ended 31 July 2020 Total £		
	Unrestricted £	Restricted £		Unrestricted £	Restricted £	
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

Notes to the financial statements

For the period ended 31 March 2021

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	1,377,177	246,210

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
	241,653	239,898

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)
	627,093	581,561
Cash held by investment broker pending reinvestment	19,177	13,735
Fair value at the end of the year	646,270	595,296

Investments comprise:

	31 March 2021 £	31 July 2020 £
Funds listed on the London Stock Exchange	627,093	581,561
Cash	19,177	13,735
	646,270	595,296

14 Debtors

	31 March 2021 £	31 July 2020 £
Other debtors	–	72,226
Prepayments	2,536	–
	2,536	72,226

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
	44,402	29,588

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
	35,950	17,850

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 marking 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 ACADEMY
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
MONTSAIE ACADEMY	VICTORY ACADEMY
MOSSBOURNE ACADEMY	WESTCLIFF HIGH SCHOOL FOR BOYS
NENE PARK ACADEMY	WHITECROSS HEREFORD
NORTHBROOK METROPOLITAN COLLEGE (GBMC)	WRENN SCHOOL