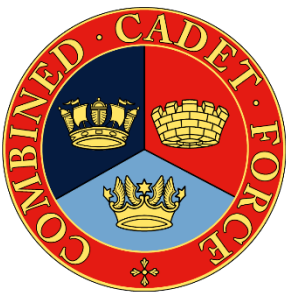


Company number: 10445616  
Charity Number: 1170994  
Scottish Charity Number: SC048021



# Combined Cadet Force Association

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Report and financial statements  
For the year ended 31 March 2022

# Combined Cadet Force Association

## Contents

### For the year ended 31 March 2022

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## Combined Cadet Force Association

### Reference and administrative information

For the year ended 31 March 2022

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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

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<b>Key management personnel</b>	Colonel MNS Urquhart OBE Richard Walton Faye Meakin	Chief Executive Deputy Chief Executive Director of Development
<b>Bankers</b>	Lloyds Bank plc Butler Place London SW1H 0PR	
<b>Investment managers</b>	Waverton Investment Management 16 Babmaes Street London SW1Y 6AH	
<b>Auditor</b>	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 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

### Trustees' annual report

For the year ended 31 March 2022

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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

## Trustees' annual report

For the year ended 31 March 2022

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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.

## Trustees' annual report

### For the year ended 31 March 2022

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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 –



**Trustees' annual report**

**For the year ended 31 March 2022**

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£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).

**Trustees' annual report**

**For the year ended 31 March 2022**

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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:

### Trustees' annual report

#### For the year ended 31 March 2022

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- 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**

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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.

## **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

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### 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

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### 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.

## Independent auditor's report

To the members of

Combined Cadet Force Association

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### 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](http://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**

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### **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

							8 months ended 31 March 2021
	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	Total £
<b>Income from:</b>							
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	–	–	–
<b>Total income</b>		<b>1,223,826</b>	<b>931,700</b>	<b>2,155,526</b>	<b>187,352</b>	<b>45,443</b>	<b>232,795</b>
<b>Expenditure on:</b>							
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
<b>Total expenditure</b>		<b>309,909</b>	<b>223,446</b>	<b>533,355</b>	<b>1,535,979</b>	<b>121,687</b>	<b>1,657,666</b>
<b>Net income/(expenditure) before net gains on investments</b>		<b>913,917</b>	<b>708,254</b>	<b>1,622,171</b>	<b>(1,348,627)</b>	<b>(76,244)</b>	<b>(1,424,871)</b>
Net gains on investments	13	45,442	–	45,442	45,532	–	45,532
<b>Net income / (expenditure) for the year</b>		<b>959,359</b>	<b>708,254</b>	<b>1,667,613</b>	<b>(1,303,095)</b>	<b>(76,244)</b>	<b>(1,379,339)</b>
Transfers between funds	17	(1,583,246)	1,583,246	–	391,815	(391,815)	–
<b>Net movement in funds</b>		<b>(623,887)</b>	<b>2,291,500</b>	<b>1,667,613</b>	<b>(911,280)</b>	<b>(468,059)</b>	<b>(1,379,339)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		2,689,067	157,643	2,846,710	3,600,347	625,702	4,226,049
<b>Total funds carried forward</b>		<b>2,065,180</b>	<b>2,449,143</b>	<b>4,514,323</b>	<b>2,689,067</b>	<b>157,643</b>	<b>2,846,710</b>

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

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 £	£
<b>Cash flows from operating activities</b>					
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	
<b>Net cash provided by operating activities</b>		<b>1,607,093</b>		<b>(1,336,106)</b>	
<b>Cash flows from investing activities:</b>					
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)	
<b>Net cash provided by investing activities</b>		<b>(349,163)</b>		<b>908,233</b>	
<b>Change in cash and cash equivalents in the year</b>		<b>1,257,930</b>		<b>(427,873)</b>	
Cash and cash equivalents at the beginning of the year		1,678,092		2,105,965	
<b>Cash and cash equivalents at the end of the year</b>		<b>2,936,022</b>		<b>1,678,092</b>	



**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 year ended 31 March 2022

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.

3 Income from charitable activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	8 months ended 31 March 2021 Total £
<b>Supporting cadets and volunteers</b>						
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					8 months ended 31 March 2021
	Raising funds	Supporting contingents	Supporting cadets and volunteers	Governance costs	Support costs	2022	
	£	£	£	£	£	£	£
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)	–	–	–
<b>Total expenditure 2022</b>	<b>600</b>	<b>523,716</b>	<b>9,039</b>	<b>–</b>	<b>–</b>	<b>533,355</b>	
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)	–	–
<b>Total expenditure 2021</b>	<b>300</b>	<b>1,640,540</b>	<b>16,826</b>	<b>–</b>	<b>–</b>	<b>1,657,666</b>

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

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	<b>8,300</b>	<b>7,900</b>

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

Staff costs were as follows:	8 months ended 31	
	2022	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
	<b>307,066</b>	<b>241,653</b>

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
	<b>699,640</b>	<b>627,093</b>
Cash held by investment broker pending reinvestment	4,165	19,177
Fair value at the end of the year	<b>703,805</b>	<b>646,270</b>
Investments comprise:		
	31 March 2022 £	31 March 2021 £
Funds listed on the London Stock Exchange	699,640	627,093
Cash	4,165	19,177
	<b>703,805</b>	<b>646,270</b>

# 14 Debtors

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

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
	<b>38,096</b>	<b>44,402</b>

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
	<b>40,950</b>	<b>35,950</b>

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)
<b>Net assets at 31 March 2022</b>	<b>2,207,375</b>	<b>703,805</b>	<b>2,449,143</b>	<b>5,360,323</b>

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)
<b>Net assets at 31 March 2021</b>	<b>491,283</b>	<b>2,197,784</b>	<b>157,643</b>	<b>2,846,710</b>

17a Movements in funds (current year)

	At 1 April 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
<b>Restricted funds:</b>					
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
<b>Total restricted funds</b>	<b>157,643</b>	<b>931,700</b>	<b>(223,446)</b>	<b>1,583,246</b>	<b>2,449,143</b>
<b>Unrestricted funds:</b>					
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)	–
<b>Total designated funds</b>	<b>2,197,784</b>	<b>58,135</b>	<b>(24,624)</b>	<b>(1,527,490)</b>	<b>703,805</b>
<b>General funds</b>	<b>491,283</b>	<b>1,211,133</b>	<b>(285,285)</b>	<b>(55,756)</b>	<b>1,361,375</b>
<b>Total unrestricted funds</b>	<b>2,689,067</b>	<b>1,269,268</b>	<b>(309,909)</b>	<b>(1,583,246)</b>	<b>2,065,180</b>
<b>Total funds</b>	<b>2,846,710</b>	<b>2,200,968</b>	<b>(533,355)</b>	<b>–</b>	<b>4,514,323</b>

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 £
<b>Restricted funds:</b>					
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
<b>Total restricted funds</b>	<b>625,702</b>	<b>45,443</b>	<b>(121,687)</b>	<b>(391,815)</b>	<b>157,643</b>
<b>Unrestricted funds:</b>					
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
<b>Total designated funds</b>	<b>3,091,014</b>	<b>5,742</b>	<b>(1,336,320)</b>	<b>437,348</b>	<b>2,197,784</b>
<b>General funds</b>	<b>509,333</b>	<b>227,142</b>	<b>(199,659)</b>	<b>(45,533)</b>	<b>491,283</b>
<b>Total unrestricted funds</b>	<b>3,600,347</b>	<b>232,884</b>	<b>(1,535,979)</b>	<b>391,815</b>	<b>2,689,067</b>
<b>Total funds</b>	<b>4,226,049</b>	<b>278,327</b>	<b>(1,657,666)</b>	<b>–</b>	<b>2,846,710</b>

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 DUNSTONS 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