

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



Combined Cadet Force Association

The Charity Supporting Cadets in Schools

Report and financial statements
For the year ended 31 March 2023

Combined Cadet Force Association

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For the year ended 31 March 2023

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Combined Cadet Force Association

Reference and administrative information

For the year ended 31 March 2023

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

* denotes membership of the Finance and Compliance Committee

^ denotes membership of the Grants Committee

~ denotes membership of the HR and Remuneration Committee

Combined Cadet Force Association

Reference and administrative information

For the year ended 31 March 2023

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

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

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

Objectives and activities

Purposes and aims

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

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

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

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

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

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

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

Achievements and performance

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

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

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

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

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

Grant Programmes

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

Trustees' annual report

For the year ended 31 March 2023

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

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

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

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

Beneficiaries of our services

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

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

Trustees' annual report

For the year ended 31 March 2023

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

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

Thanks to the Small Grants Fund Cadet Chief Petty Officer Grace Williams from Trinity School CCF (RN) was able to attend a National Pool Lifeguard Qualification (NPLQ) Course. As a scholarship student, the grant was vital in enabling to her to access this training, which she has been putting to great use. She told us *"The course was intensive with both pool sessions and classroom activities such as First Aid but I really enjoyed pushing myself to achieve the swimming and rescue times and am very proud to say that I passed the whole course."*

Already in the summer term I have acted as a lifeguard for CCF activities in the school pool. During the summer holidays I have a lifeguarding job locally in Devon and through this I will achieve some of the continuing professional development that I need to maintain my qualification. I would like to thank the CCFA very much for the very generous grant."

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

Financial review

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

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

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

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

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

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

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

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

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

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

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

Principal risks and uncertainties

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

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

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

Reserves policy and going concern

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

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

Trustees' annual report

For the year ended 31 March 2023

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

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

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

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

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

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

Fundraising

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

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

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

Plans for the future

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

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

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

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

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

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

Structure, governance and management

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

Trustees' annual report

For the year ended 31 March 2023

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

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

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

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

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

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

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

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

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

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

Appointment of trustees

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

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

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

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

Trustee induction and training

There are four parts to trustees' induction. They:

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

Related parties and relationships with other organisations

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

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

Trustees' annual report

For the year ended 31 March 2023

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

Remuneration policy for key management personnel

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

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

Statement of responsibilities of the trustees

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

In so far as the trustees are aware:

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

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

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

Auditor

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

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

Nigel Maddox CBE
Chair

Independent auditor's report

To the members of

Combined Cadet Force Association

Opinion

We have audited the financial statements of Combined Cadet Force Association (the 'charitable company') for the period ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Independent auditor's report

To the members of

Combined Cadet Force Association

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

- In our opinion, based on the work undertaken in the course of the audit:
- The information given in the trustees' annual report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Independent auditor's report

To the members of

Combined Cadet Force Association

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Capability of the audit in detecting irregularities

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

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

Independent auditor's report

To the members of

Combined Cadet Force Association

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

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

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

Independent auditor's report

To the members of

Combined Cadet Force Association

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

Date: 3 October 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

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

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

Combined Cadet Force Association

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

For the year ended 31 March 2023

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

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

Combined Cadet Force Association

Balance sheet

Company no. 10445616

As at 31 March 2023

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

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

Julia Hodgson
Treasurer

Michael Hampshire
Vice Chair

Combined Cadet Force Association

Statement of cash flows

For the year ended 31 March 2023

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

1 Accounting policies

a) Statutory information

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

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

b) Basis of preparation

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

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

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

c) Public benefit entity

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

d) Going concern

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

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

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

e) Income

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

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

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

f) Donations of gifts, services and facilities

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

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

1 Accounting policies (continued)

g) Interest and dividends receivable

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

h) Fund accounting

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

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

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

i) Expenditure and irrecoverable VAT

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

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

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

j) Grants payable

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

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

k) Allocation of support costs

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

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

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

l) Operating leases

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

m) Tangible fixed assets

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

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies (continued)

n) Listed investments

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

o) Debtors

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

p) Short term deposits

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

q) Cash at bank and in hand

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

r) Creditors and provisions

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

s) Financial instruments

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

2 Income from donations and legacies

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

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

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2023

3 Income from charitable activities

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

4 Income from investments

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

All income from investments is unrestricted.

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2023

5a Analysis of expenditure (current year)

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

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2023

5b Analysis of expenditure (prior year)

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

Notes to the financial statements

For the year ended 31 March 2023

6 Grant making

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

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

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

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

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

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

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

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

Staff costs were as follows:

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

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

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

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

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

9 Staff numbers

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

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

10 Related party transactions

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

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

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

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

11 Amounts disbursed as agent

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

12 Taxation

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

13 Listed investments

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

14 Debtors

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

15a Creditors: amounts falling due within one year

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

15b Creditors: amounts falling due after one year

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

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

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

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

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

17a Movements in funds (current year)

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

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

17b Movements in funds (prior year)

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

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

Purposes of restricted funds

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

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

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

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

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

Purposes of designated funds

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

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

Notes to the financial statements

For the year ended 31 March 2023

18 Legal status of the charity

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

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

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

Combined Cadet Force Association

Notes to the financial statements

For the year ended 31 March 2023

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

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