

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

England & Wales · Charity number 226684

Details

Other names	CHURCH OF ENGLAND SOLDIERS' SAILORS' & AIRMEN'S CLUBS, CHURCH OF ENGLAND SOLDIERS' SAILORS' AND AIRMEN'S CLUBS, C E S S A C
Status	Registered
Legal form	Charitable company
Company number	00034118
Registered	1963-07-02
Register	View on the Charity Commission register

Contact

Address	Cessac 1 Shakespeare Terrace 126 High Street Portsmouth PO1 2RH
Phone	02392 829319
Email	JOSEPH.PETTY@CESSAHA.CO.UK
Website	www.cessaha.co.uk/cessac

Activities

Objects: TO OPEN, CARRY ON, ESTABLISH AND MAINTAIN CHURCH OF ENGLAND SOLDIERS, SAILORS AND AIRMENS CLUBS. TO RELIEVE PERSONS WHO HAVE SERVED IN HER MAJESTY'S FORCES AND THEIR DEPENDANTS WHO ARE IN NEED OF ASSISTANCE INCLUDING THE PROVISION OF HOUSING. TO FURTHER THE RELIGIOUS AND OTHER CHARITABLE WORK OF THE CHURCH OF ENGLAND AMONGST THOSE SERVING IN HER MAJESTY'S FORCES.

Activities: To support the moral component of HM Armed Forces, particularly through the operation of amenity centres in or near military bases in the UK and overseas. To support veteran Armed Forces personnel and their dependants, usually through sheltered housing. To support the CofE in the delivery of its spiritual and charitable objectives across Defence.

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services
- **What:** Accommodation/housing, Armed Forces/emergency Service Efficiency
- **Who:** Elderly/old People, Other Defined Groups

Geography

- **Area of benefit:** GREAT BRITAIN AND OVERSEAS
- Cornwall
- Dorset
- Essex
- Greenwich
- Hampshire
- Suffolk

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,047,812	£1,284,865	£3,032,131	48
2023-12-31	£1,048,358	£1,227,766	£3,140,100	46
2022-12-31	£927,953	£1,056,673	£3,258,587	30
2021-12-31	£605,464	£784,683	£3,786,603	29
2020-12-31	£750,504	£980,017	£3,608,303	32

Trustees

Name	Role	Appointed
Captain Nicholas Edgar Fletcher	Chair	2025-09-10
Alexandra Sard MBE		2023-11-22
Allan Davies		2025-11-19
Commander Simon John Snowball		2019-04-30
David John Foster FCA		2019-11-20
Margaret Grindell MSc		2022-06-22
Steven David Rice		2022-02-02

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

England & Wales - Charity number 226684

Accounts

Charity registration number 226684

Company registration number 00034118 (England and Wales)

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

LEGAL AND ADMINISTRATIVE INFORMATION

Council Members	Rear Admiral A R Rymer CEng Colonel C E H Ackroyd Mr I H Currie FCA Ms G Grindell MSc Commander S J Snowball RN Mr D J Foster FCA Mr S D Rice Lieutenant Colonel D B Ruffle RE Lieutenant Commander A Sard MBE RN
Charity number	226684
Company number	00034118
Principal address	1 Shakespeare Terrace 126 High Street Hampshire Portsmouth PO1 2RH
Registered office	1 Shakespeare Terrace 126 High Street Hampshire Portsmouth PO1 2RH
Auditor	Sumer Audit Piper House 4 Dukes Court Bognor Road Chichester West Sussex PO19 8FX
Bankers	Lloyds Bank Plc 113 Commercial Road Portsmouth Hampshire PO1 1BY
Solicitors	Blake Morgan LLP Harbour Court Compass Road North Harbour Portsmouth Hampshire PO6 4ST

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

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CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The Council members present their report and financial statements for the year ended 31 December 2024.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles of Association, the Companies Act 2006 and "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) (effective 1 January 2019)".

Objectives and activities

The Church of England Soldiers', Sailors' & Airmen's Clubs (short title: CESSAC) originated in Aldershot in 1857 to provide an alcohol-free, non-proselytising home-from-home for soldiers. Its founding precept (circa 1881) included its intention: "to provide for the Nation's soldiers, places where they can resort and find rest and healthy recreation and where they can associate on terms of friendly intercourse". The success of the original facility resulted in many others being opened over the years (and many closing again to match changing demand). Apart from the fact that the charity's reach has extended to cover sailors and then airmen, that precept remains as true today. CESSAC's principal aim is still, therefore, the operation of homely, welcoming amenity centres at military bases to improve the morale and wellbeing of service personnel and/or their families. At 31 December 2024, there were 9 such centres, 3 in one group (all in Cyprus) and another group with 5 in UK and one in the Falklands.

Other aims were added in the 1970s; to relieve persons who have served in H.M. Forces and the dependants of such persons as are in need of assistance including the provision and management of housing. This enabled CESSAC to contribute to the establishment of CESSA Housing Association Limited (CESSA HA), a separate charitable organisation that owns and operates sheltered housing for elderly ex-Service people, their spouses, widows, widowers and immediate relatives. CESSAC has since provided grants to CESSA HA and other eligible charities in furtherance of this aim.

CESSAC still shares its Head Office and some staff with CESSA HA, although both organisations have their own Boards and operate independently. The latter is accountable to the Regulator of Social Housing and the Financial Conduct Authority. The relationship with CESSA HA resulted in CESSAC entering into an agreement with Greenwich Hospital, a Crown Royal Navy Charity, to manage its sheltered housing (GSHS) for former members of the Naval Service in the 1980s. Although reviewed regularly, this symbiotic relationship continues to this day, providing advantages for all parties.

CESSAC is a founder member (1939) of the Council for Voluntary Welfare Work (CVWW), which enables it to operate in Armed Forces establishments at home and abroad under a Memorandum of Understanding (MoU) with the Ministry of Defence (MoD). The MoU between the MoD and CVWW recognises that the amenity centres provided by member organisations require a certain amount of primary trading in order to be sustainable. The income received is therefore one indicator of whether the centres are being used by the beneficiaries and hence meeting their welfare needs. However, there are many factors outside the charity's control, particularly changes in the number of Service personnel present in any location, and just because a centre operates at a loss does not mean it is not needed. For this reason, the current and anticipated use of each centre is regularly reviewed against the perceived benefit being provided in an attempt to best match the running costs across all of them with the likely income overall. Thus, a loss-making centre perceived to be meeting a particular welfare need can be supported financially by surpluses generated elsewhere. This is detailed in a separate Impact Statement focussed on the charity's stakeholders, visible on its website. The current aim is that CESSAC's proportion of Head Office costs are funded by income on investments and from other sources. Major improvements/repairs are paid for from the long-term growth in the capital value of the investments.

The Council members have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. The beneficiaries and the respective public benefits are detailed separately at the end of this report under each of the 4 registered objects. The Council members review the strategy every 2 years to provide clear priorities for the detailed business plan, and have continued to confirm that the objects (see page 5) do not need to be revised.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

Due to the nature of CESSAC and its objects, its activities have already been described above; mainly the operation of its amenity centres (for objects i & iii) and ongoing support to CESSA HA and GHSH (object ii), as well as other eligible charities. Significant grants are only made when funds permit (but smaller grants for objects ii, iii & iv are made annually – see Note 11). While CESSAC welcomes volunteers, particularly in places like the Falklands, the nature of its work generally results in reliance on paid staff.

Achievements and performance

General. Following the Royal Family's reconsideration of patronages CESSAC was honoured to be informed, on 4 May 2024, that His Majesty The King would be CESSAC's Patron in succession to Her Majesty Queen Elizabeth II. In June 2024 we completed our plans to establish a new CESSAC Centre which opened at the Defence Intelligence Training Group (DITG) Chicksands. Other work, has included the recruitment of a new CEO who assumed post in September 2024. The Welfare Amenity Committee (WAC) undertook its annual review of centre performance, confirming the continued relevance and charitable output of all of them. However, in common with many organisations in the "hospitality" sector it has also been necessary to carefully monitor the financial performance of all Centres. As a result, the CEO and DOPs have been focussing on new ways to deliver our services across Defence, whilst exploring innovations that may provide alternative income streams that bolster our Centres, reduce the annual deficit, and ensure the long term sustainability of the charity. CEO continues to represent CESSAC at meetings of CVWW and Cobseo, the Confederation of Service Charities. These networks provide invaluable information and are presenting emerging opportunities to exploit increased partnering across the Services 3rd Sector.

Centres in the Falklands and UK. These are straightforward coffee shops or cafes providing a homely and welcoming environment for Service personnel and their families, often adjacent to recreational facilities and/or the chaplaincy. Accordingly, each has a relatively modest turnover (all under £100K) with the Falklands and Blandford experiencing the highest outturn and Woodbridge and Aldershot the lowest.

Centres in Cyprus. Unlike our centres in the UK, some of CESSAC's locations in Cyprus have historically included shops selling a permitted variety UK goods difficult to otherwise obtain. The rise of internet shopping and changing habits has now reduced the use of these shops to such an extent, that all locations have now drawn down their stocks and shops have been closed. CEO will visit Cyprus in early 2025 to review the delivery of our operations on the island and to discuss ideas to improve turnover, performance and delivery of charitable objectives in Dhekelia.

Engagement across the Stations and Garrisons. The centres remain well supported by the Command chain and valued by the thousands of UK Service personnel and their families.

Ex-Service personnel & their families. CESSAC has continued to enable CESSA HA to make savings through sharing a Head Office and staff and managing 91 sheltered flats at three sites on behalf of Greenwich Hospital.

Fundraising. CESSAC does not undertake fundraising from the public itself and its Collection Boxes were introduced into locations to underline the point that it is a charity. Unsurprisingly, they are generating a reducing amount with the rise of electronic payment.

Investment performance. CESSAC's investment portfolio has performed well from a historical perspective, generating valuable income to help support the charities operations. In 2024 investment income was £110,005 with gains of £134,977. However, at the time of submitting this report, early 2025 has seen a marked volatility of global markets. CESSAC takes a total return approach to its investments, as recommended for many charities, and typically draws around £45k from the Charles Stanley portfolio and a further £72k from Blackrock each year. The Board will discuss any requirement to withdraw extra funds to meet the increased cost of charitable operations with our professional discretionary fund manager, and carefully consider its impact in the context of our investment policy.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2024

Financial review

The results for the year are set out on page 12. The charity's balance sheet remains just over £3 million providing a reassuring reserve to ensure sustainability and support our charitable aims. However, the year saw the net movement of funds fall by £107,969, broadly on a par with 2023. The major factors in this reduction were a net operating deficit of £237,053, relieved by gains on investments of over £134K, and a small exchange rate loss of £5,893. Increased staff and operating costs during a period of higher inflation, together with stock disposal /write off as we move away from providing shop facilities all help explain the c £57K increase in the operating deficit from 2023. Income and growth on our investments is used to meet our charitable aims and subsidise operations. The underlying gap between operational income and expenditure, especially during this extended period of reduced income and growth on our investments, is clearly unwelcome and work has begun intended to improve the position during 2025/26, and year on year, as our new CEO and the DOps generate new initiatives as well as concentrate on operational efficiencies and alternate income streams.

Head Office has continued to play its part in keeping costs down and supporting all the operations and governance. This is illustrated at Note 8, it can be seen that the costs of support and governance has increased by £12,971 this year; due in part to the recruitment, arrival and handover period of the new CEO and other inflationary increases for the cost of externally contracted services, including Audit, Utilities, Supplies, IT Support etc. Overall net costs are considered fully justified in support of CESSAC's charitable objectives. The Council, through the WAC, keeps a close check on the operating position.

Reserves policy

The reserves policy is reviewed annually and in 2024 operational reserves were maintained at 9 months' of turnover, £1,000,000 (see Note 23), to cover the number of centres and dispersion of cash between different banks/currencies. Other reserves are maintained to fund repairs/improvements of the Clubs and/or make donations in furtherance of the charity's aims (see Note 23). However, since the trading income alone has been insufficient to fund centre operations for some years, the charity expects to continue to use income from investments to enable the charitable output to continue.

Investment policy. The Council members ensure that the capital held by CESSAC is invested prudently and conservatively over the long term for the ultimate benefit of meeting its objectives. Their policy is to maintain sustainability by increasing both capital and income from the investments over the long term. The reserves are invested across a number of financial institutions; the greater part is in AFCGIF units, currently managed by BlackRock, with most of the rest in a Charles Stanley discretionary managed portfolio at medium low risk. The remainder is in a Virgin Money Charity Deposit Account.

Principal Risks and Uncertainties

The Council has taken a risk-based approach to internal controls, including directing members to undertake internal assurance. The most significant risks to the charity relate to investments, since little capital is tied up in any individual centre. The Council follows a policy of spreading these at medium to low risk as described in the Investment Policy, reviews their performance at every opportunity and has an Investment Panel to oversee the investment environment between meetings. The Council members have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to them.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

Over the charity's 133 years since incorporation, it has usually been alterations in the Armed Forces that have both presented new opportunities and/or caused existing centres to close. It is for this reason that most current centres have not received significant capital and are developed with the assistance of the relevant establishment and funding sought from other sources. Therefore, the success or failure of individual centres is unlikely to present a significant risk. The new UK Government is expected to deliver its own Strategic Defence & Security Review in 2025 and this will be carefully scrutinised in due course, to provide an assurance that the charities objects, operational locations and purpose retain a continued relevance in the future shape and operation of Defence.

Withdrawal from any centre is considered if sustained losses there cannot be justified by the assessed charitable benefit in that location, but otherwise service is maintained as long as the overall performance of the charity is satisfactory. Loss of the Greenwich Hospital agreement would deprive the charity of some income and the economies inherent in shared facilities. This is mitigated by demonstrating the efficiency and added value provided to the management of the sheltered housing, which has resulted in a five-year agreement until 31 January 2028. The risk policy is regularly reviewed and the register is maintained in a detailed matrix. A clear system is operated to ensure that every risk is reviewed either by Council or WAC at least annually.

2025 & Plans for the future

The Council undertook its two-yearly review of the charity's strategy in Autumn 2024. It remained broadly unchanged and, recognising the underlying gap between operational income and expenditure and continuing low investment yields, strongly supports efforts to improve the operating position and explore alternative opportunities to deliver the charities objects in new ways. We will explore opportunities for closer collaboration with other charities that form the CVWW, and work closely with Station/Garrison and Base Commanders to understand need, to assess the perceived value of existing Centres and to exploit opportunities to improve the lives of our beneficiaries and the wider-military community. The ACF, ACEST and other sources of grant funding, have continued to support CESSAC where opportunities are presented: their support remains both important and greatly appreciated.

Going Concern

Rolling forecasts are carefully maintained for both cash-flow and income & expenditure. These forecasts continue to show a deficit across its operations, however, this is expected to plateau in 2025 and improve from 2026 onwards. The Council firmly believes that the charity remains a going concern; supported and assured by our Audit Team and demonstrated by our financial reserves.

Structure, governance and management

CESSAC is a charity (No. 226684) and a company limited by guarantee and not having share capital, registered in England (No. 00034118). It does not trade for profit, is exempt from Corporation Tax and is VAT-registered. (No. 675 8276 83). Its Memorandum and Articles of Association govern the charitable company, including the appointment and reappointment of its members of Council.

CESSAC is governed by the Council, which met 4 times in 2024 with 94% attendance. The WAC meets three times a year and reports its activities at the next Council meeting and seeks approval for any strategic decisions. The Council and WAC are assisted in their responsibilities by the Chief Executive Officer (CEO) who manages the operations and personnel.

None of the Council members has any beneficial interest in the company. All of the Council members are members of the company and guarantee to contribute £1 in the event of a winding up. Trustees indemnity insurance up to £500K is provided as part of a portfolio of policies.

The Council members, who are also the directors for the purpose of company law, and who served during the year were:

Rear Admiral A R Rymer CEng
Colonel C E H Ackroyd
Mr I H Currie FCA
Ms G Grindell MSc
Commander S J Snowball RN
Mr D J Foster FCA

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2024

Mr S D Rice
Lieutenant Colonel D B Ruffle RE
Lieutenant Commander A Sard MBE RN

Advertisements are made to attract potential members/trustees, whose applications are then considered by the Council. Those selected as members are eligible to sit on committees and vote at general meetings. Potential trustees are invited to an informal meeting with the Chairman. This is followed by a brief from the CEO and an invitation to attend the next Council meeting as an observer. A formal invitation to join the Council will follow if both parties agree, followed by induction conducted by the CEO. New trustees are co-opted until election is considered at the next AGM. Training is offered regularly and the Council reviews Charity Commission e-mails, Governance & Leadership/Charity Finance magazines and other material to keep up to date.

The Charity Governance Code. Performance against the Charity Code of Governance 2017 and the Cobseo aide-memoire have been assessed. The organisation met all criteria, save for one relating to Equality and Diversity, which history and recruitment opportunities render difficult for us to achieve, notwithstanding a stated Policy in this area, applied across the organisation. Subject to the usual ebb and flow of representation in a relatively small organisation, gender balance overall has been satisfactory. However, an underlying requirement for military experience, and the need to maintain a range of skills and qualifications against low turnover, together with some geographical restrictions, have limited the available field from which minority involvement in governance matters can be drawn. In order to maximise the opportunity for minority participation in future, recruitment criteria, advertising and procedures are kept under review.

Remuneration policy. All of the members are unpaid volunteers. The overall purpose of remuneration policy for the staff at all levels, together with their terms and conditions of service, is to attract and retain those with appropriate skills, experience and competencies who are committed to delivering the relevant charitable work and purposes. Although CESSAC does not engage in substantive levels of fundraising or voluntary work, the esteem and value derived from working in the charitable sector are noted, as recommended. With a principal aim of fairness and no overriding factors, save for affordability, the following will be taken into account when deciding remuneration:

- The scope of individual responsibilities; any fundamental change; and performance against short and long term expectations and objectives.
- Affordability (sustainability) of the total cost of remuneration awards when measured against the needs.
- The likely impact on the beneficiaries.
- Comparability in appropriate sectors, together with: national remuneration trends and minimum wage regulations; inflation; and applicable local/overseas factors.
- The remuneration ratio between Senior and other staff in the organisation.
- The combined effect of pay and other elements of wider remuneration packages, including any non-consolidated awards.

Relationships. CESSAC shares a common root with the Aldershot Church of England Services Trust, and three of the former's members are appointed as trustees for the latter. CEO is CESSAC's trustee for CVWW.

Asset cover for funds

The charity has no significant restricted funds and therefore no analysis of funds is given in the notes.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

Registered charitable objects

The objects for which the Charity is established are below in 'inverted commas', each followed by a summary of the benefits delivered to the respective beneficiaries:

(i) 'To open, carry on, establish and maintain Church of England Soldiers', Sailors' & Airmen's Clubs or Centres in military stations and other places at home and abroad, and to assist local or other efforts to open, carry on, establish and maintain such clubs or centres'. The aim remains to provide homely facilities for serving personnel and/or their families. The benefit they derive from the centres is amply demonstrated by their use and the strength of support from the chain of command.

(ii) 'To further the religious and charitable work of the Church of England amongst those serving in H.M. Forces'. This is achieved by working with Service Chaplains wherever possible, without impinging on the non-religious nature of the centres. It includes offering a grant to help Service-sponsored ordinands (Note 11).

(iii) 'To relieve persons who have served in H.M. Forces and the dependants of such persons as are in need of assistance including the provision and management of housing'. This aim is clear and currently largely, but not exclusively, delivered through the assistance provided to CESSA Housing Association & GHSH.

(iv) 'To promote the efficiency of H.M. Forces by the provision of facilities and equipment for educational, recreation and leisure pursuits for those serving in H.M. Forces, whether at Church of England Soldiers', Sailors' & Airmen's Clubs or Centres or elsewhere and whether at home or abroad'. This is a recognised broad Object to enable a wide range of support to be provided for the benefit of serving personnel as needs arise. The level of the losses over recent years has meant that this aim is currently supported by a number of small grants to other organisations, listed for Cyprus at Note 11.

Auditor

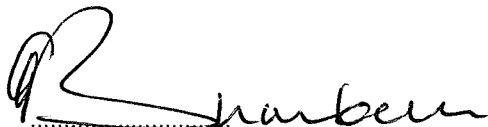
In accordance with the charity's articles, a resolution proposing that Sumer Audit be reappointed as auditor of the charity will be put at a General Meeting.

Disclosure of information to auditor

Each of the Council members has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Council members' report was approved by the Board of Council Members.



Commander S J Snowball RN

Trustee

Dated: 25.6.25

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

The Council members, who are also the directors of Church of England Soldiers', Sailors' & Airmen's Clubs for the purpose of company law, are responsible for preparing the Council Members' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Council members to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Council members 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 have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

INDEPENDENT AUDITOR'S REPORT

TO THE COUNCIL MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

Opinion

We have audited the accounts of Church of England Soldiers', Sailors' & Airmen's Clubs (the 'charity') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 December 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 Council members' 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 charity'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 Council members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Council members are responsible for the other information. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Council members' report; or
 - sufficient accounting records have not been kept; or
 - the financial statements are not in agreement with the accounting records; or
 - we have not received all the information and explanations we require for our audit.
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CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCIL MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

Responsibilities of Council members

As explained more fully in the statement of Council members' responsibilities, the Council members, who are also the directors of the charity for the purpose 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 Council members 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 Council members are responsible for assessing the charity'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 Council members 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 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Identification and assessment of irregularities including fraud

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

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:

- Obtaining an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a direct effect on the financial statements and operations;
- Obtaining an understanding of the charity's policies and procedures on fraud risks, including knowledge of any actual, suspected or alleged fraud;
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud through our knowledge and understanding of the company and our sector-specific experience.

As a result of these procedures, we considered the opportunities and incentives that may exist within the association for fraud. We are also required to perform specific procedures to respond to the risk of management override. As a result of performing the above, we identified the following areas as those most likely to have an impact on the financial statements: health & safety and employment law, as well as compliance with the UK Companies and Charities Acts.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCIL MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

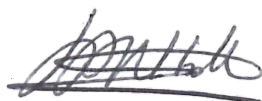
In addition to the above, our procedures to respond to risks identified included the following:

- Making enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of the board and senior management.
- Reading correspondence with regulators
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jordan Abbott BSc ACA (Senior Statutory Auditor)
for and on behalf of Sumer Audit
Chartered Accountants
Statutory Auditor
Chichester

11/07/2025
.....

Sumer Audit is the trading name of Sumer Auditco Limited

Sumer Audit is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes						
<u>Income and endowments from:</u>							
Voluntary income	4	6,437	17,442	23,879	10,402	16,400	26,802
Charitable activities	6	795,977	-	795,977	802,147	-	802,147
Investments	3	110,005	-	110,005	107,076	-	107,076
Other income	5	117,951	-	117,951	112,333	-	112,333
Total income		1,030,370	17,442	1,047,812	1,031,958	16,400	1,048,358
<u>Expenditure on:</u>							
Raising funds	7	7,682	-	7,682	7,540	-	7,540
Charitable activities	9	1,277,183	-	1,277,183	1,211,600	8,626	1,220,226
Total resources expended		1,284,865	-	1,284,865	1,219,140	8,626	1,227,766
Net operating deficit		(254,495)	17,442	(237,053)	(187,182)	7,774	(179,408)
Net gains/(losses) on investments	12	134,977	-	134,977	63,185	-	63,185

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

Net (outgoing)/ incoming resources before transfers		(119,518)	17,442	(102,076)	(123,997)	7,774	(116,223)
Gross transfers between funds	15	25,519	(25,519)	-	8,323	(8,323)	-
Net outgoing resources		(93,999)	(8,077)	(102,076)	(115,674)	(549)	(116,223)
Other recognised gains and losses							
Other gains or losses	17	(5,893)	-	(5,893)	(2,264)	-	(2,264)
Net movement in funds		(99,892)	(8,077)	(107,969)	(117,938)	(549)	(118,487)
Fund balances at 1 January		3,132,023	8,077	3,140,100	3,249,961	8,626	3,258,587
Fund balances at 31 December		3,032,131	-	3,032,131	3,132,023	8,077	3,140,100

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	16		122,472		116,967
Investments	20		2,803,507		2,792,193
			<u>2,925,979</u>		<u>2,909,160</u>
Current assets					
Stocks	18	24,329		39,633	
Debtors	19	77,515		32,020	
Cash at bank and in hand		174,309		294,239	
			<u>276,153</u>	<u>365,892</u>	
Creditors: amounts falling due within one year	21	<u>(170,001)</u>		<u>(134,952)</u>	
Net current assets			106,152		230,940
Total assets less current liabilities			<u>3,032,131</u>		<u>3,140,100</u>
Income funds					
Restricted funds	22		-		8,077
<u>Unrestricted funds</u>					
Designated funds	23	<u>3,032,131</u>		<u>3,132,023</u>	
			<u>3,032,131</u>		<u>3,132,023</u>
			<u>3,032,131</u>		<u>3,140,100</u>

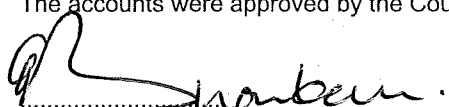
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2024, although an audit has been carried out under section 144 of the Charities Act 2011.

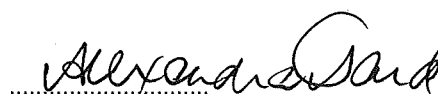
The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Council Members on 25.12.25


 Commander S J Snowball RN
 Trustee


 Lieutenant Commander A Sard MBE RN
 Trustee

Company Registration No. 00034118

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	26		(317,415)		(233,628)
Investing activities					
Purchase of tangible fixed assets		(38,522)		(58,679)	
Proceeds on disposal of tangible fixed assets		-		2,607	
Purchase of investments		(121,158)		(52,024)	
Proceeds on disposal of investments		244,820		142,899	
Investment income		110,005		107,076	
Net cash generated from investing activities			195,145		141,879
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(122,270)		(91,749)
Cash and cash equivalents at beginning of year			294,239		382,698
Effect of foreign exchange rates			2,340		3,290
Cash and cash equivalents at end of year			174,309		294,239

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Church of England Soldiers', Sailors' & Airmen's Clubs is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Shakespeare Terrace, 126 High Street, Hampshire, Portsmouth, PO1 2RH.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Council members have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Council members continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Council members in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Council members for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

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.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Income from charitable trading activities principally represents retail sales and other income in CESSAC's Services Centre in Cyprus and at CESSAC Centres in the UK and elsewhere with other operating income arising from fees for managing sheltered lettings, owned by other charitable bodies, for ex-members of HM Forces and their spouses.

1.5 Resources expended

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:

- Expenditure on charitable activities undertaken to further the purposes of the charity and their associated support and governance costs.
- Costs of raising funds comprise the costs of the investment portfolio management.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

1.6 Tangible fixed assets

Tangible fixed assets are measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% straight line basis
Leasehold properties	Cyprus improvements 10% straight line basis
Furniture, fittings & equipment	10 - 25% straight line basis
Vehicles	20% straight line basis

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Listed investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in income and expenditure. Transaction costs are expensed to income and expenditure as incurred.

The fixed asset investment loan is initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investment is assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in income and expenditure.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). No such indications were noted.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in net income/(expenditure), except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in or in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

1.15 Taxation

CESSAC is a registered charity and is not subject to taxation on income. Any income tax recovered on investment income and covenanted subscriptions is included with the respective income.

1.16 Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Council members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from listed investments	108,000	106,141
Interest receivable	2,005	935
	<u>110,005</u>	<u>107,076</u>

4 Voluntary income

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	3,949	-	3,949	1,966	-	1,966
Other grants	2,488	17,442	19,930	8,436	16,400	33,272
	<u>6,437</u>	<u>17,442</u>	<u>23,879</u>	<u>10,402</u>	<u>16,400</u>	<u>26,802</u>

5 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Net gain on disposal of tangible fixed assets	-	2,607
Management fees and office rent	117,951	109,726
	<u>117,951</u>	<u>109,726</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

6 Charitable activities

	Supporting HM Forces in the UK and overseas 2024 £	Supporting HM Forces in the UK and overseas 2023 £
Sale of goods	782,828	785,925
Other income	13,149	16,222
	<u>795,977</u>	<u>802,147</u>

Charitable trading income

Incoming resources derive from UK and activities in British HM Forces bases overseas including income from charitable trading activities.

7 Raising funds

	2024 £	2023 £
Investment management	7,682	7,540

8 Support costs allocated to activities

	2024 £	2023 £
Staff costs	137,788	129,819
Depreciation	240	202
Head office costs	28,351	27,136
Governance costs	41,038	37,289
	<u>207,417</u>	<u>194,446</u>
Analysed between:		
Supporting HM Forces in the UK and overseas	<u>207,417</u>	<u>194,446</u>

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned to the charitable activities undertaken in the year.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

9 Charitable activities

	Supporting HM Forces in the UK and overseas 2024 £	Supporting HM Forces in the UK and overseas 2023 £
Staff costs	502,935	460,532
Depreciation and impairment	29,933	26,449
Cost of supplies	332,256	342,482
Operating costs	204,642	196,046
	<u>1,069,766</u>	<u>1,025,509</u>
Grant funding of activities (see note 11)	-	271
Share of support costs (see note 8)	166,379	157,157
Share of governance costs (see note 8)	41,038	37,289
	<u>1,277,183</u>	<u>1,220,226</u>
Analysis by fund		
Unrestricted funds	1,277,183	1,211,600
Restricted funds	-	8,626
	<u>1,277,183</u>	<u>1,220,226</u>

10 Council Members

None of the Council members (or any persons connected with them) received any remuneration during the year, but 7 of them were reimbursed a total of £1,069 travelling expenses (2023 - 7 were reimbursed £1,156).

11 Grants payable

CESSAC made the following principal donations in the UK:

Annual grant to a sponsored ordinand - 2024: £nil (2023: £820)

CESSAC Cyprus made the following donations:

Various small donations - 2024 €122 (2023: €312)

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

12 Gains and losses on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) arising on:		
Revaluation of investments	83,177	61,505
Sale of investments	51,800	1,680
	<u>134,977</u>	<u>63,185</u>

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

14 Employees

Number of employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Full time (UK & FI)	5	5
Part time (UK & FI)	23	21
Full time (Cyprus)	1	3
Part time (Cyprus)	19	17
	48	46
	48	46

Employment costs

	2024 £	2023 £
Wages and salaries	614,486	560,346
Social security costs	24,696	37,132
Other pension costs	27,786	17,601
	666,968	615,079
	666,968	615,079

Chief Executive Remuneration

None of the Directors (or any persons connected with them) received any remuneration during the year, but 7 of them were reimbursed a total of £1,069 travelling expenses (2023 - 8 were reimbursed £813).

The highest paid director received £42,009 (2023 - £39,661) remuneration (excluding pension contributions).

For the purposes of the above disclosures, "Director" also includes the Chief Executive and any other person who is a member of the executive management team, or its equivalent, of the association.

The Chief Executive, the only Senior Executive, is one of the members of staff jointly employed with a related party, Church of England Soldiers', Sailors' and Airmen's Housing Association Ltd (the 'association'). The Chief Executive is not a Director, but was an ordinary member of the association's defined contribution pension scheme (The Social Housing Pension Scheme administered by The Pension Trust) carrying no special terms. He has no other individual pension arrangement to which either entity makes a contribution. The main outputs of the two entities are: CESSAC's Charity Centres; and sheltered housing. The latter encompasses schemes belonging to the association and those managed by CESSAC for Greenwich Hospital. The division of the costs for all joint employees is regularly reassessed in proportion to the value of contribution to each entity. The 2019 re-assessment of the share of such costs led to CEO's being 50% each for 2020 and subsequent years to the association and to CESSAC. (Until 2019 CEO's shares had been 34% & 66% respectively). This resulted in the share of costs below (excluding national insurance contributions):

	2024	2023
CESSAC Emoluments	£42,009	£39,660
Association Emoluments	£42,009	£39,661
Total Emoluments	£84,018	£79,321
CESSAC pension contribution	£3,796	£3,966
Association pension contribution	£3,796	£3,966
Total pension contributions	£7,932	£7,932

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

14 Employees

(Continued)

There were no employees whose annual remuneration was £60,000 or more.

15 Transfers

The transfer between restricted and unrestricted funds represents the restricted funds spent on fixed asset additions.

16 Tangible fixed assets

	Land and buildings	Leasehold properties	Furniture, fittings & equipment	Vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2024	12,000	261,954	231,203	29,910	535,067
Additions	-	-	38,522	-	38,522
Disposals	-	-	(5,692)	-	(5,692)
Exchange adjustments	-	(12,017)	(5,860)	(1,074)	(18,951)
At 31 December 2024	12,000	249,937	258,173	28,836	548,946
Depreciation and impairment					
At 1 January 2024	5,040	261,954	137,262	13,843	418,099
Depreciation charged in the year	240	-	25,731	4,202	30,173
Eliminated in respect of disposals	-	-	(5,692)	-	(5,692)
Exchange adjustments	-	(12,017)	(3,573)	(516)	(16,106)
At 31 December 2024	5,280	249,937	153,728	17,529	426,474
Carrying amount					
At 31 December 2024	6,720	-	104,445	11,307	122,472
At 31 December 2023	6,960	-	93,940	16,067	116,967

17 Other gains or losses

	Unrestricted funds	Unrestricted funds
	2024 £	2023 £
Foreign exchange (losses)/gains	(5,893)	(2,264)

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

18 Stocks

	2024 £	2023 £
Finished goods and goods for resale	24,329	39,633

19 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	45,704	-
Prepayments and accrued income	31,811	32,020
	<u>77,515</u>	<u>32,020</u>

20 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2024	2,792,193
Additions	121,158
Valuation changes	83,175
Disposals	(193,020)
At 31 December 2024	<u>2,803,506</u>
Carrying amount	
At 31 December 2024	<u>2,803,506</u>
At 31 December 2023	<u>2,792,193</u>

Fixed asset investments revalued

Listed investments include an investment portfolio managed by Charles Stanley and an Armed Forces Common Investment Fund managed by Black Rock and are included on the basis of market value, with an historical cost of £2,528,768 (2023 - £2,576,808).

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

21 Creditors: amounts falling due within one year

	2024	2023
	£	£
Other taxation and social security	22,256	22,714
Trade creditors	39,621	58,763
Other creditors	80,038	925
Accruals and deferred income	28,086	52,550
	<u>170,001</u>	<u>134,952</u>

22 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2024	Incoming resources	Resources expended	Transfers	At 31 December 2024
	£	£	£	£	£
ACEST	1,277	17,442	-	(18,719)	-
Army Central Fund	6,800	-	-	(6,800)	-
	<u>8,077</u>	<u>17,442</u>	<u>-</u>	<u>(25,519)</u>	<u>-</u>
Previous year:	At 1 January 2023	Incoming resources	Resources expended	Transfers	At 31 December 2023
	£	£	£	£	£
ACEST	8,626	9,600	(8,626)	(8,323)	1,277
Army Central Fund	-	6,800	-	-	6,800
	<u>8,626</u>	<u>16,400</u>	<u>(8,626)</u>	<u>(8,323)</u>	<u>8,077</u>

ACEST grants were provided in 2022 to cover the purchase of a new coffee machine and for some refurbishment/upgrade works at Blandford. The 2023 grant was provided to cover the cost of replacement furniture at Aldershot.

The Army Central Fund grant was provided to cover the cost of a coffee machine for the new Chicksands Centre.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

23 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2024
	£	£	£	£	£	£
Operating cost reserve	1,020,000	-	-	(20,000)	-	1,000,000
Capital fund for future opportunities	2,112,023	-	-	(79,892)	-	2,032,131
General funds	-	1,030,370	(1,284,865)	125,411	129,084	-
	<u>3,132,023</u>	<u>1,030,370</u>	<u>(1,284,865)</u>	<u>25,519</u>	<u>129,084</u>	<u>3,032,131</u>
Previous year:	At 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£	£	£
Operating cost reserve	1,020,000	-	-	-	-	1,020,000
Capital fund for future opportunities	2,229,961	-	-	(117,938)	-	2,112,023
General funds	-	1,031,958	(1,219,140)	126,261	60,921	-
	<u>3,249,961</u>	<u>1,031,958</u>	<u>(1,219,140)</u>	<u>8,323</u>	<u>60,921</u>	<u>3,132,023</u>

Reserves have been established as follows:

- An operating cost reserve equal to nine months' charitable activity (£1,000,000).
- A capital fund for future opportunities and investment.

24 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Fund balances at 31 December 2024 are represented by:			
Tangible assets	122,472	-	122,472
Investments	2,803,507	-	2,803,507
Current assets/(liabilities)	106,152	-	106,152
	<u>3,032,131</u>	<u>-</u>	<u>3,032,131</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

24 Analysis of net assets between funds

(Continued)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 December 2023 are represented by:			
Tangible assets	116,967	-	116,967
Investments	2,792,193	-	2,792,193
Current assets/(liabilities)	222,863	8,077	230,940
	<u>3,132,023</u>	<u>8,077</u>	<u>3,140,100</u>

25 Related party transactions

Donations totalling £325 were received from Trustees during the year.

26 Cash generated from operations

	2024 £	2023 £
Deficit for the year	(102,076)	(116,223)
Adjustments for:		
Investment income recognised in statement of financial activities	(110,005)	(107,076)
Foreign exchange differences	(3,048)	(4,659)
Gain on disposal of tangible fixed assets	-	(2,607)
Gain on disposal of investments	(51,800)	(1,680)
Fair value gains and losses on investments	(83,177)	(61,505)
Depreciation and impairment of tangible fixed assets	30,173	26,689
Movements in working capital:		
Decrease in stocks	16,851	16,855
(Increase) in debtors	(45,310)	(71)
Increase in creditors	30,977	19,084
(Decrease) in deferred income	-	(2,435)
Cash absorbed by operations	<u>(317,415)</u>	<u>(233,628)</u>

27 Analysis of changes in net funds

The charity had no material debt during the year.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

England & Wales - Charity number 226684

Accounts

Charity registration number 226684

Company registration number 00034118 (England and Wales)

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

LEGAL AND ADMINISTRATIVE INFORMATION

Council Members	Rear Admiral A R Rymer CEng (Chairman) Colonel C E H Ackroyd TD RD DL (Vice Chairman) Mr I H Currie FCA Ms G Grindell MSc Commander S J Snowball RN Mr D J Foster FCA Mr S D Rice Lieutenant Colonel D B Ruffle RE (Appointed 21 June 2023) Lieutenant Commander A Sard MBE (Appointed 22 November 2023) RN
Chief Executive Officer	Commander P C Keefe RN
Secretary	Commander P C Keefe RN
Charity number	226684
Company number	00034118
Principal address	1 Shakespeare Terrace 126 High Street Portsmouth Hampshire PO1 2RH
Registered office	1 Shakespeare Terrace 126 High Street Portsmouth Hampshire PO1 2RH
Auditor	Sumer Audit Piper House 4 Dukes Court Bognor Road Chichester West Sussex PO19 8FX
Bankers	Lloyds Bank Plc 113 Commercial Road Portsmouth Hampshire PO1 1BY

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Blake Morgan LLP
Harbour Court
Compass Road
North Harbour
Portsmouth
Hampshire
PO6 4ST

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

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CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The Council members present their report and financial statements for the year ended 31 December 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the charity's Articles of Association, the Companies Act 2006 and "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) (effective 1 January 2019)".

Note. For over 10 years, CESSAC's Annual Returns to the Charity Commission have interpreted the instructions regarding 'operating overseas' to report on its primary trading undertaken outside the British Isles as fitting that description. Such an interpretation was reinforced by the fact that the return allowed the selection of 'Akrotiri', 'Dhekelia' and 'Falkland Islands', suggesting these met that criterion. Following publication of the guidance on the 2023 Annual Return, contact with the Commission has revealed that, since CESSAC is operating on UK Armed Forces bases and for those personnel, its intent would be met by describing all the primary trading expenditure and income as 'UK'. The Return will therefore be so completed with the figures from these accounts onwards. For similar reasons, it has been decided to discontinue the practice of separating the charitable activities in the notes to the accounts between the Sovereign Bases in Cyprus and 'the rest' (which routinely included non-Cyprus locations abroad like RAF Mount Pleasant in the Falklands).

Objectives and activities

The Church of England Soldiers', Sailors' & Airmen's Clubs (short title: CESSAC) originated in Aldershot in 1857 to provide an alcohol-free, non-proselytising home-from-home for soldiers. Its founding precept (circa 1881) included its intention: "to provide for the Nation's soldiers, places where they can resort and find rest and healthy recreation and where they can associate on terms of friendly intercourse". The success of the original facility resulted in many others being opened over the years (and many closing again to match changing demand). Apart from the fact that the charity's reach has extended to cover sailors and then airmen, that precept remains as true today. CESSAC's principal aim is still, therefore, the operation of homely, welcoming amenity centres at military bases to improve the morale and wellbeing of service personnel and/or their families. At 31 December 2023, there were 9 such centres, 4 in one group (all in Cyprus) and another group with 4 in UK and one in the Falklands.

Other aims were added in the 1970s; to relieve persons who have served in H.M. Forces and the dependants of such persons as are in need of assistance including the provision and management of housing. This enabled CESSAC to contribute to the establishment of CESSA Housing Association Limited (CESSA HA), a separate charitable organisation that owns and operates sheltered housing for elderly ex-Service people, their spouses, widows, widowers and immediate relatives. CESSAC has since provided grants to CESSA HA and other eligible charities in furtherance of this aim.

CESSAC still shares its Head Office and some staff with CESSA HA, although both organisations have their own Boards and operate independently. The latter is accountable to the Regulator of Social Housing and the Financial Conduct Authority. The relationship with CESSA HA resulted in CESSAC entering into an agreement with Greenwich Hospital, a Crown Royal Navy Charity, to manage its sheltered housing (GSHS) for former members of the Naval Service in the 1980s. Although reviewed regularly, this symbiotic relationship continues to this day, providing advantages for all parties.

CESSAC is a founder member (1939) of the Council for Voluntary Welfare Work (CVWW), which enables it to operate in Armed Forces establishments at home and abroad under a Memorandum of Understanding (MoU) with the Ministry of Defence (MoD). The MoU between the MoD and CVWW recognises that the amenity centres provided by member organisations require a certain amount of primary trading in order to be sustainable. The income received is therefore one indicator of whether the centres are being used by the beneficiaries and hence meeting their welfare needs. However, there are many factors outside the charity's control, particularly changes in the number of Service personnel present in any location, and just because a centre operates at a loss does not mean it is not needed. For this reason, the current and anticipated use of each centre is regularly reviewed against the perceived benefit being provided in an attempt to best match the running costs across all of them with the likely income overall. Thus, a loss-making centre perceived to be meeting a particular welfare need can be supported financially by surpluses generated elsewhere. This is detailed in a separate Impact Statement focussed on the charity's stakeholders, visible on its website. The current aim is that CESSAC's proportion of Head Office costs are funded by income on investments and from other sources. Major improvements/repairs are paid for from the long-term growth in the capital value of the investments.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

The Council members have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. The beneficiaries and the respective public benefits are detailed separately at the end of this report under each of the 4 registered objects. The Council members review the strategy every 2 years to provide clear priorities for the detailed business plan, and have continued to confirm that the objects (see page 6) do not need to be revised.

Due to the nature of CESSAC and its objects, its activities have already been described above; mainly the operation of its amenity centres (for objects i & iii) and ongoing support to CESSA HA and GHSH (object ii), as well as other eligible charities. Significant grants are only made when funds permit (but smaller grants for objects ii, iii & iv are made annually – see Note 11). While CESSAC welcomes volunteers, particularly in places like the Falklands, the nature of its work generally results in reliance on paid staff.

Achievements and performance

General. The King was announced as CESSAC's Patron on 4 May 2024, following the Royal family's reconsideration of patronages. During 2023 we were contacted by the Defence Intelligence Training Group (DITG) at Chicksands to investigate the possibility of operating a centre and café at the base, which, following good joint working with the Command and the MoD we hope to see open in 2024 (see plans for 2024 below). We also made a strong bid to take over from fellow CVWW member Sandes in Pirbright. Unfortunately, we were not invited to operate the facility, but would look again if the opportunity arose. At the invitation of RAF Cosford, we continued to investigate a further opportunity at the station but it now seems unlikely that this would prove a viable proposition. A bursary for a naval sponsored ordinand is now in its third and final year (see Note 11).

Other work focussing on our charitable output and future plans continued. The Welfare Amenity Committee (WAC) undertook its annual review of centre performance, confirming the continued relevance and charitable output of all of them (but see later caveat about Nicosia). CEO continues to represent CESSAC at meetings of CVWW and Cobseo, the Confederation of Service Charities. These provide invaluable information, insight and opportunities to work with other charities. The Council conducted quinquennial reviews of both auditors and investment managers. At the Annual General Meeting a number of small amendments were agreed to update the Memorandum and Articles of Association.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

Centres in the Falklands and UK. These are straightforward coffee shops or cafes providing a homely and welcoming environment for Service personnel and their families, often adjacent to recreational facilities and/or the chaplaincy. Accordingly, each has a relatively modest turnover (all under £100K) with the Falklands and Blandford the highest. Since we took over the operation of the centre at Aldershot in 2022 CESSAC has enabled the provision of new furniture funded by fellow charity ACEST, however the centre continues to make higher losses than anticipated and we continue to work with the Command to improve the impact of the centre. A refurbishment at Blandford completed early this year, which has been much welcomed by the command and beneficiaries. Sales in Colchester are growing (turnover exceeded £1k in a week) and a new coffee machine has been installed. We were delighted to receive very positive feedback from the Garrison Commander. Woodbridge benefitted from East Suffolk Council's Comfort food scheme, where vouchers could be exchanged for meals. Staff also worked with the local council and the welfare team to provide kids lunch boxes in the school holidays. A wall was taken down between the two rooms, so the quiet area is now part of the café and the 'makeover' has been completed, including a new coffee machine. In the Falklands, after several technical issues, the welfare fund helped improve our service and impact with the purchase of a new coffee machine.

Centres in Cyprus. Unlike the other centres, some of CESSAC's locations in Cyprus have included shops selling a permitted variety of often UK-sourced goods difficult to otherwise obtain. The rise of internet shopping and changing habits has continued to reduce such turnover and by the end of 2023 this only continues at Dhekelia.

The Sovereign Bases (particularly Akrotiri & Episkopi) have had a busy year due to a sequence of crises in the region (earthquake in Turkey, the actual evacuation of civilians from Sudan and then the potential need to do so from Israel/Gaza). Staff in Akrotiri delivered their second 'Thanksgiving' meal for the American contractors, which may become an annual event, albeit on a smaller scale, for the permanent US military personnel based there. Episkopi's well overdue 'make-over', including the station-installed new extractor fan in the kitchen, was completed. Redecoration and the delivery of new furniture have generated lots of positive comments about how bright and comfortable the café has become. Events have been less kind to Dhekelia, where business was already worst affected by the lingering effects of the pandemic and its customers also seem to be experiencing the biggest challenge with the 'cost of living' crisis. To round off the autumn, metal thieves wrecked 2 air conditioning units just to extract the copper pipes, one of which will need reinstallation. Nicosia remains unopened, due to the need for more asbestos to be removed, and it is increasingly unlikely it ever will now, following the reduction in potential beneficiaries.

The centres remain well supported by the Command chain and valued by the thousands of UK Service personnel and their families.

Ex-Service personnel & their families. CESSAC has continued to enable CESSA HA to make savings through sharing a Head Office and staff and managing 91 sheltered flats at three sites on behalf of Greenwich Hospital.

Fundraising. CESSAC does not undertake fundraising from the public itself and its Collection Boxes were introduced into locations to underline the point that it is a charity. Unsurprisingly, they are generating a reducing amount with the rise of electronic payment.

Investment performance. The investment elements have performed well from a historical perspective as well as generating valuable income. In 2023 investment income was £107,076, and there were gains of £63,185 (early 2024 has seen further improvement). CESSAC takes a total return approach to its investments, as recommended for many charities, and normally draws £45k from the Charles Stanley portfolio, but agreed with the discretionary manager that an extra £12,000 could be taken in 2023. In a planned withdrawal, £58,000 of BlackRock units were sold to further subsidise support operations.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

Financial review

The results for the year are set out on page 12. The net movement in funds shows a fall of £118,487, although this is much less than 2022 which was severely affected by the volatility of investment markets. It also includes a small loss on exchange of £2,264. Therefore, the actual operating position showed a loss of £179,408. This is clearly unwelcome but represents a proportionate increase on 2022 as a consequence of subsidy supporting operations with increased turnover.

Head Office has continued to play its part in keeping costs down and supporting all the operations and governance. This is illustrated at Note 8, where it can be seen that support costs are low and the overall net costs are considered fully justified in support of CESSAC's charitable objectives. The Council, through the WAC, keeps a close check on the operating position.

Reserves policy

The reserves policy is reviewed annually and in 2023 operational reserves were maintained at 9 months' of turnover, £1,020,000, to cover the number of centres and dispersion of cash between different banks/currencies. Other reserves are maintained to fund repairs/improvements of the Clubs and/or make donations in furtherance of the charity's aims (see Note 26). However, since the trading income alone has been insufficient to fund centre operations for some years, the charity expects to continue to use income from investments to enable the charitable output to continue.

Investment policy. The Council members ensure that the capital held by CESSAC is invested prudently and conservatively over the long term for the ultimate benefit of meeting its objectives. Their policy is to maintain sustainability by increasing both capital and income from the investments over the long term. The reserves are invested across a number of financial institutions; the greater part is in AFCGIF units, currently managed by BlackRock, with most of the rest in a Charles Stanley discretionary managed portfolio at medium low risk. The remainder is in a Virgin Money Charity Deposit Account.

Principal Risks and Uncertainties

The Council has taken a risk-based approach to internal controls, including directing members to undertake internal assurance. The most significant risks to the charity relate to investments, since little capital is tied up in any individual centre. The Council follows a policy of spreading these at medium to low risk as described in the Investment Policy, reviews their performance at every opportunity and has an Investment Panel to oversee the investment environment between meetings. The Council members have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to them.

Over the charity's 132 years since incorporation, it has usually been alterations in the Armed Forces that have both presented new opportunities and/or caused existing centres to close. It is for this reason that most current centres have not received significant capital and are developed with the assistance of the relevant establishment and funding sought from other sources. Therefore, the success or failure of individual centres is unlikely to present a significant risk. The UK Government refreshed its Defence & Security review from March 2021 this year, which does not appear to have any obvious direct effects.

Withdrawal from any centre is considered if sustained losses there cannot be justified by the assessed charitable benefit in that location, but otherwise service is maintained as long as the overall performance of the charity is satisfactory. Loss of the Greenwich Hospital agreement would deprive the charity of some income and the economies inherent in shared facilities. This is mitigated by demonstrating the efficiency and added value provided to the management of the sheltered housing, which has resulted in a five-year agreement until 31 January 2028. The risk policy is regularly reviewed and the register is maintained in a detailed matrix. A clear system is operated to ensure that every risk is reviewed either by Council or WAC at least annually.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

2024 & Plans for the future

The Council will undertake a two-yearly review of the charity's strategy. Efforts will continue to explore potential new centre at Thorney Island, and it is planned that CESSAC will operate at Chicksands from June. The latter is being supported with a grant of £6,800 for a new coffee machine from The Army Central Fund and the renovation of the kitchen at Blandford has been supported by a grant of £12,442 from ACEST. Following the RAF's decision to use the term 'aviators', it is possible CESSAC may update its name: this will be considered in 2025 with other potential changes so that all might be included in an update to the Memorandum and Articles of Association. Following the decision of the current CEO to retire in summer 2024 we will conduct an open competition for his successor. Our search and recruitment will be informed by a review of the organisation and staff workload begun in 2023.

Going Concern

Rolling forecasts are maintained for both cash-flow and income & expenditure, both of which currently predict a better year ahead than 2023. The Council firmly believes the charity remains a going concern, since the likely rate of loss should be containable for significantly more than 12 months.

Structure, governance and management

CESSAC is a charity (No. 226684) and a company limited by guarantee and not having share capital, registered in England (No. 00034118). It does not trade for profit, is exempt from Corporation Tax and is VAT-registered. (No. 675 8276 83). Its Memorandum and Articles of Association govern the charitable company, including the appointment and reappointment of its members of Council.

CESSAC is governed by the Council, which met 4 times in 2023 with 97% attendance. The WAC meets three times a year and reports its activities at the next Council meeting and seeks approval for any strategic decisions. The Council and WAC are assisted in their responsibilities by the Chief Executive Officer (CEO) who manages the operations and personnel.

None of the Council members has any beneficial interest in the company. All of the Council members are members of the company and guarantee to contribute £1 in the event of a winding up. Trustees indemnity insurance up to £500K is provided as part of a portfolio of policies.

The Council members, who are also the directors for the purpose of company law, and who served during the year were:

Rear Admiral A R Rymer CEng (Chairman)

Colonel C E H Ackroyd TD RD DL (Vice
Chairman)

Mr I H Currie FCA

Ms G Grindell MSc

Commander A E Mizen RN (Retired 21 June 2023)

Commander J F J Simpson RN (Retired 21 June 2023)

Commander S J Snowball RN

Mr D J Foster FCA

Mr S D Rice

Lieutenant Colonel D B Ruffle RE (Appointed 21 June 2023)

Lieutenant Commander A Sard MBE RN (Appointed 22 November 2023)

Advertisements are made to attract potential members/trustees, whose applications are then considered by the Council. Those selected as members are eligible to sit on committees and vote at general meetings. Potential trustees are invited to an informal meeting with the Chairman. This is followed by a brief from the CEO and an invitation to attend the next Council meeting as an observer. A formal invitation to join the Council will follow if both parties agree, followed by induction conducted by the CEO. New trustees are co-opted until election is considered at the next AGM. Training is offered regularly and the Council reviews Charity Commission e-mails, Governance & Leadership/Charity Finance magazines and other material to keep up to date.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

The Charity Governance Code. Performance against the Charity Code of Governance 2017 and the Cobseo aide-memoire have been assessed. The organisation met all criteria, save for one relating to Equality and Diversity, which history and recruitment opportunities render difficult for us to achieve, notwithstanding a stated Policy in this area, applied across the organisation. Subject to the usual ebb and flow of representation in a relatively small organisation, gender balance overall has been satisfactory. However, an underlying requirement for military experience, and the need to maintain a range of skills and qualifications against low turnover, together with some geographical restrictions, have limited the available field from which minority involvement in governance matters can be drawn. In order to maximise the opportunity for minority participation in future, recruitment criteria, advertising and procedures are kept under review.

Remuneration policy. All of the members are unpaid volunteers. The overall purpose of remuneration policy for the staff at all levels, together with their terms and conditions of service, is to attract and retain those with appropriate skills, experience and competencies who are committed to delivering the relevant charitable work and purposes. Although CESSAC does not engage in substantive levels of fundraising or voluntary work, the esteem and value derived from working in the charitable sector are noted, as recommended. With a principal aim of fairness and no overriding factors, save for affordability, the following will be taken into account when deciding remuneration:

- The scope of individual responsibilities; any fundamental change; and performance against short and long term expectations and objectives.
- Affordability (sustainability) of the total cost of remuneration awards when measured against the needs.
- The likely impact on the beneficiaries.
- Comparability in appropriate sectors, together with: national remuneration trends and minimum wage regulations; inflation; and applicable local/overseas factors.
- The remuneration ratio between Senior and other staff in the organisation.
- The combined effect of pay and other elements of wider remuneration packages, including any non-consolidated awards.

Relationships. CESSAC shares a common root with the Aldershot Church of England Services Trust, and three of the former's members are appointed as trustees for the latter. CEO is CESSAC's trustee for CVWW.

Asset cover for funds

The charity has no significant restricted funds and therefore no analysis of funds is given in the notes.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

Registered charitable objects

The objects for which the Charity is established are below in 'inverted commas', each followed by a summary of the benefits delivered to the respective beneficiaries:

(i) 'To open, carry on, establish and maintain Church of England Soldiers', Sailors' & Airmen's Clubs or Centres in military stations and other places at home and abroad, and to assist local or other efforts to open, carry on, establish and maintain such clubs or centres'. The aim remains to provide homely facilities for serving personnel and/or their families. The benefit they derive from the centres is amply demonstrated by their use and the strength of support from the chain of command.

(ii) 'To further the religious and charitable work of the Church of England amongst those serving in H.M. Forces'. This is achieved by working with Service Chaplains wherever possible, without impinging on the non-religious nature of the centres. It includes offering a grant to help Service-sponsored ordinands (Note 11).

(iii) 'To relieve persons who have served in H.M. Forces and the dependants of such persons as are in need of assistance including the provision and management of housing'. This aim is clear and currently largely, but not exclusively, delivered through the assistance provided to CESSA Housing Association & GHSH.

(iv) 'To promote the efficiency of H.M. Forces by the provision of facilities and equipment for educational, recreation and leisure pursuits for those serving in H.M. Forces, whether at Church of England Soldiers', Sailors' & Airmen's Clubs or Centres or elsewhere and whether at home or abroad'. This is a recognised broad Object to enable a wide range of support to be provided for the benefit of serving personnel as needs arise. The level of the losses over recent years has meant that this aim is currently supported by a number of small grants to other organisations, listed for Cyprus at Note 11.

Auditor

In accordance with the charity's articles, a resolution proposing that Carpenter Box Jones Avens be reappointed as auditor of the charity will be put at a General Meeting.

Disclosure of information to auditor

Each of the Council members has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Council members' report was approved by the Board of Council Members.

.....
Commander S J Snowball RN

Trustee

Dated:

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

The Council members, who are also the directors of Church of England Soldiers', Sailors' & Airmen's Clubs for the purpose of company law, are responsible for preparing the Council Members' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Council members to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Council members 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 have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

INDEPENDENT AUDITOR'S REPORT

TO THE COUNCIL MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

Opinion

We have audited the accounts of Church of England Soldiers', Sailors' & Airmen's Clubs (the 'charity') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 Council members' 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 charity'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 Council members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Council members are responsible for the other information. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Council members' report; or
 - sufficient accounting records have not been kept; or
 - the financial statements are not in agreement with the accounting records; or
 - we have not received all the information and explanations we require for our audit.
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CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCIL MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

Responsibilities of Council members

As explained more fully in the statement of Council members' responsibilities, the Council members, who are also the directors of the charity for the purpose 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 Council members 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 Council members are responsible for assessing the charity'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 Council members 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 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Identification and assessment of irregularities including fraud

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

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including The Companies Act 2006 and The Charities Act 2011;
- we obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework by making appropriate enquiries of management as well as considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- we made enquiries of those charged with governance and management concerning:
 - the risks of fraud;
 - instances of non-compliance with laws and regulations or knowledge of actual, suspected, or alleged fraud is documented during the period;
- we allocated an engagement team that we considered collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCIL MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

Audit response to the risk of irregularities including fraud

Based on the results of our risk assessment, our procedures included, but were not limited to:

- performing analytical procedures to identify any unusual or unexpected relationships.
- evaluating whether the selection and application of accounting policies by the entity that may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings.
- assessing whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias.
- agreeing financial statement disclosures to underlying supporting documentation.
- reading the minutes of meetings of those charged with governance.
- testing of journal entries to address the risk of fraud through management override.
- incorporating an element of unpredictability in the selection of the nature, timing, and extent of our audit procedures.
- corroborating the business rationale for transactions outside the normal course of business.

Conclusions regarding the risks of irregularities including fraud

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We considered our audit was capable of detecting irregularities due to:

- the effectiveness of the entity's internal controls;
- the nature, timing and extent of audit procedures performed; and
- the absence of contradictory evidence.

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

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCIL MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jordan Abbott BSc ACA (Senior Statutory Auditor)
for and on behalf of Sumer Audit

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Chartered Accountants
Statutory Auditor

Piper House
4 Dukes Court
Bognor Road
Chichester
West Sussex
PO19 8FX

Sumer Audit is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Sumer Audit is a trading name of Sumer AuditCo Limited.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
<u>Income and endowments from:</u>							
Voluntary income	4	10,402	16,400	26,802	17,047	24,300	41,347
Charitable activities	6	802,147	-	802,147	686,354	-	686,354
Investments	3	107,076	-	107,076	103,001	-	103,001
Other income	5	112,333	-	112,333	101,118	-	101,118
Total income		1,031,958	16,400	1,048,358	907,520	24,300	931,820
<u>Expenditure on:</u>							
Raising funds	7	7,540	-	7,540	7,970	-	7,970
Charitable activities	9	1,211,600	8,626	1,220,226	1,035,829	11,674	1,047,503
Other	15	-	-	-	1,200	-	1,200
Total resources expended		1,219,140	8,626	1,227,766	1,044,999	11,674	1,056,673
Net operating deficit		(187,182)	7,774	(179,408)	(137,479)	12,626	(124,853)
Net gains/(losses) on investments	12	63,185	-	63,185	(409,706)	-	(409,706)

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

Net (outgoing)/ incoming resources before transfers		(123,997)	7,774	(116,223)	(547,185)	12,626	(534,559)
Gross transfers between funds	16	8,323	(8,323)	-	4,000	(4,000)	-
Net outgoing resources		(115,674)	(549)	(116,223)	(543,185)	8,626	(534,559)
Other recognised gains and losses							
Other gains or losses	18	(2,264)	-	(2,264)	6,543	-	6,543
Net movement in funds		(117,938)	(549)	(118,487)	(536,642)	8,626	(528,016)
Fund balances at 1 January		3,249,961	8,626	3,258,587	3,786,603	-	3,786,603
Fund balances at 31 December		3,132,023	8,077	3,140,100	3,249,961	8,626	3,258,587

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	17		116,967		85,873
Investments	20		2,792,193		2,823,172
			<u>2,909,160</u>		<u>2,909,045</u>
Current assets					
Stocks	19	39,633		53,198	
Debtors	21	32,020		31,949	
Cash at bank and in hand		294,239		382,698	
			<u>365,892</u>	<u>467,845</u>	
Creditors: amounts falling due within one year	23	(134,952)		(118,303)	
Net current assets			<u>230,940</u>		<u>349,542</u>
Total assets less current liabilities			<u>3,140,100</u>		<u>3,258,587</u>
Income funds					
Restricted funds	25		8,077		8,626
<u>Unrestricted funds</u>					
Designated funds	26	3,132,023		3,249,961	
			<u>3,132,023</u>		<u>3,249,961</u>
			<u>3,140,100</u>		<u>3,258,587</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The Council members are responsible for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Council Members on

.....
Commander S J Snowball RN
Trustee

.....
Lieutenant Commander A Sard MBE RN
Trustee

Company Registration No. 00034118

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	29		(233,628)		(152,511)
Investing activities					
Purchase of tangible fixed assets		(58,679)		(45,542)	
Proceeds on disposal of tangible fixed assets		2,607		1,594	
Purchase of investments		(52,024)		(88,561)	
Proceeds on disposal of investments		142,899		136,112	
Investment income		107,076		103,001	
Net cash generated from investing activities			141,879		106,604
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(91,749)		(45,907)
Cash and cash equivalents at beginning of year			382,698		425,742
Effect of foreign exchange rates			3,290		2,863
Cash and cash equivalents at end of year			294,239		382,698

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Council members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Accounting policies

Charity information

Church of England Soldiers', Sailors' & Airmen's Clubs is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Shakespeare Terrace, 126 High Street, Portsmouth, Hampshire, PO1 2RH.

2.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

2.2 Going concern

At the time of approving the financial statements, the Council members have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Council members continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Council members in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Council members for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

2.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

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 from charitable trading activities principally represents retail sales and other income in CESSAC's Services Centre in Cyprus and at CESSAC Centres in the UK and elsewhere with other operating income arising from fees for managing sheltered lettings, owned by other charitable bodies, for ex-members of HM Forces and their spouses.

2.5 Resources expended

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:

- Expenditure on charitable activities undertaken to further the purposes of the charity and their associated support and governance costs.
- Costs of raising funds comprise the costs of the investment portfolio management.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

2.6 Tangible fixed assets

Tangible fixed assets are measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% straight line basis
Leasehold properties	Cyprus improvements 10% straight line basis
Furniture, fittings & equipment	10 - 25% straight line basis
Vehicles	20% straight line basis

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Accounting policies

(Continued)

2.7 Fixed asset investments

Listed investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in income and expenditure. Transaction costs are expensed to income and expenditure as incurred.

The fixed asset investment loan is initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investment is assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in income and expenditure.

2.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). No such indications were noted.

2.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.11 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in net income/(expenditure), except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in or in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Accounting policies (Continued)

2.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2.14 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

2.15 Taxation

CESSAC is a registered charity and is not subject to taxation on income. Any income tax recovered on investment income and covenanted subscriptions is included with the respective income.

2.16 Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover, including the Coronavirus Job Retention Scheme and other Coronavirus related support are recognised as income over the periods when the related costs are incurred.

3 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from listed investments	106,141	102,681
Interest receivable	935	320
	<u>107,076</u>	<u>103,001</u>

4 Voluntary income

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	1,966	-	1,966	2,111	-	2,111
Government grants	-	-	-	14,936	-	14,936
Other grants	8,436	16,400	24,836	11,069	24,300	35,369
	<u>10,402</u>	<u>16,400</u>	<u>26,802</u>	<u>17,047</u>	<u>24,300</u>	<u>41,347</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

4 Voluntary income (Continued)

Government grants received

Discretionary Covid-19 grants	-	-	-	3,867	-	3,867
Other	-	-	-	11,069	24,300	35,369
	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,936</u>	<u>24,300</u>	<u>39,236</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,936</u>	<u>24,300</u>	<u>39,236</u>

5 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Net gain on disposal of tangible fixed assets	2,607	1,594
Management fees and office rent	109,726	99,524
	<u>109,726</u>	<u>99,524</u>
	<u>109,726</u>	<u>99,524</u>

6 Charitable activities

	Supporting HM Forces in the UK and overseas 2023 £	Supporting HM Forces in the UK and overseas 2022 £
Sale of goods	785,925	669,138
Other income	16,222	17,216
	<u>802,147</u>	<u>686,354</u>
	<u>802,147</u>	<u>686,354</u>

Charitable trading income

Incoming resources derive from UK and activities in British HM Forces bases overseas including income from charitable trading activities.

7 Raising funds

	2023 £	2022 £
Investment management	7,540	7,970

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Support costs allocated to activities

	2023 £	2022 £
Staff costs	129,819	121,753
Depreciation	202	202
Head office costs	27,136	20,648
Governance costs	37,289	33,413
	<u>194,446</u>	<u>176,016</u>
Allocated to:		
Supporting HM Forces in the UK and overseas	<u>194,446</u>	<u>176,016</u>

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are allocated directly against the charities activities.

9 Charitable activities

	Supporting HM Forces in the UK and overseas 2023 £	Supporting HM Forces in the UK and overseas 2022 £
Staff costs	460,532	390,704
Depreciation and impairment	26,449	19,960
Cost of supplies	342,482	287,036
Operating costs	196,046	173,366
	<u>1,025,509</u>	<u>871,066</u>
Grant funding of activities (see note 11)	271	421
Share of support costs (see note 8)	157,157	142,603
Share of governance costs (see note 8)	37,289	33,413
	<u>1,220,226</u>	<u>1,047,503</u>
Analysis by fund		
Unrestricted funds	1,211,600	1,035,829
Restricted funds	8,626	11,674
	<u>1,220,226</u>	<u>1,047,503</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Council Members

None of the Council members (or any persons connected with them) received any remuneration during the year, but 7 of them were reimbursed a total of £1,156 travelling expenses (2022 - 5 were reimbursed £530).

11 Grants payable

CESSAC made the following principal donations in the UK:

Grants to CESSA HA tenants for Christmas vouchers/social functions - 2023: £Nil (2022: £3,296).
Annual grant to a sponsored ordinand - 2023: £820 (2022: £778)

CESSAC Cyprus made the following donations:

Various smaller donations 2023:

Details	Amount
Episkopi Military Training Wing - Armed Forces Day	€ 32
Dhekelia Halloween Raffle	€ 7
Akrotiri Primary School	€ 182
Dhekelia 1 Rifles & HQ community support	€ 91
Total	€ 312

(2022: €475)

12 Gains and losses on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gains/(losses) arising on:		
Revaluation of investments	61,505	(403,063)
Sale of investments	1,680	(6,643)
	<u>63,185</u>	<u>(409,706)</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Full time	8	8
Part time	38	35
	<u>46</u>	<u>43</u>

Employment costs

	2023 £	2022 £
Wages and salaries	560,346	487,663
Social security costs	37,132	32,483
Other pension costs	17,601	15,502
	<u>615,079</u>	<u>535,648</u>

NB: A non-material correction has been made to this note re 2022 employee numbers to give a better comparison with this year's accurate figure. The financial accounts have always reflected the correct employment costs, but it has been realised the number of employees recorded in this Note have been incorrect for much more than a decade. This is for 2 reasons: the 3 full time and 3 part-time staff employed in Greenwich schemes have always been accidentally excluded (since in a separate payroll); and an incorrect division of the staff shared with CESSA HA was being used. This combination of errors explains the increase in the number of UK employees in 2022 from 3 to 5 full-time and from 10 to 20 part-time.

Chief Executive Remuneration

The Chief Executive, the only Senior Executive, is one of the members of staff jointly employed with a related party, Church of England Soldiers', Sailors' and Airmen's Housing Association Ltd (the 'association'). The Chief Executive is not a Director, but was an ordinary member of the association's defined contribution pension scheme (The Social Housing Pension Scheme administered by The Pension Trust) carrying no special terms. He has no other individual pension arrangement to which either entity makes a contribution. The main outputs of the two entities are: CESSAC's Charity Centres; and sheltered housing. The latter encompasses schemes belonging to the association and those managed by CESSAC for Greenwich Hospital. The division of the costs for all joint employees is regularly reassessed in proportion to the value of contribution to each entity. The 2019 re-assessment of the share of such costs led to CEO's being 50% each for 2020 to the association and to CESSAC. This resulted in the share of costs below (excluding national insurance contributions):

	2023	2022
CESSAC Emoluments	£39,660	£37,948
Association Emoluments	£39,661	£37,949
Total Emoluments	£79,321	£75,897
CESSAC pension contribution	£3,966	£3,795
Association pension contribution	£3,966	£3,795
Total pension contributions	£7,932	£7,590

There were no employees whose annual remuneration was £60,000 or more.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Employees

(Continued)

14 Taxation

No charge to corporation tax arises on the results for the year.

15 Other

	Total £ 2023	Unrestricted funds 2022
Net loss on disposal of tangible fixed assets	-	1,200
	-	1,200

16 Transfers

The transfer between restricted and unrestricted funds represents the restricted funds spent on fixed asset additions.

17 Tangible fixed assets

	Land and buildings £	Leasehold properties £	Furniture, fittings & equipment £	Vehicles £	Total £
Cost					
At 1 January 2023	12,000	266,909	195,706	28,936	503,551
Additions	-	-	43,471	15,208	58,679
Disposals	-	-	(5,736)	(13,818)	(19,554)
Exchange adjustments	-	(4,955)	(2,239)	(416)	(7,610)
At 31 December 2023	12,000	261,954	231,202	29,910	535,066
Depreciation and impairment					
At 1 January 2023	4,800	265,547	123,595	23,736	417,678
Depreciation charged in the year	240	1,337	20,771	4,342	26,690
Eliminated in respect of disposals	-	-	(5,736)	(13,818)	(19,554)
Exchange adjustments	-	(4,930)	(1,368)	(417)	(6,715)
At 31 December 2023	5,040	261,954	137,262	13,843	418,099
Carrying amount					
At 31 December 2023	6,960	-	93,940	16,067	116,967
At 31 December 2022	7,200	1,362	72,111	5,200	85,873

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

18 Other gains or losses

Unrestricted funds	Unrestricted funds
2023	2022
£	£

Foreign exchange (losses)/gains	(2,264)	6,543
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19 Stocks

2023	2022
£	£

Finished goods and goods for resale	39,633	53,198
-------------------------------------	--------	--------

20 Fixed asset investments

Listed investments
£

Cost or valuation

At 1 January 2023	2,823,172
Additions	52,024
Valuation changes	58,216
Disposals	(141,219)

At 31 December 2023	2,792,193
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Carrying amount

At 31 December 2023	2,792,193
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At 31 December 2022	2,823,172
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Fixed asset investments revalued

Listed investments include an investment portfolio managed by Charles Stanley and an Armed Forces Common Investment Fund managed by Black Rock and are included on the basis of market value, with an historical cost of £2,576,808 (2021 - £2,435,209).

21 Debtors

2023	2022
£	£

Amounts falling due within one year:

Prepayments and accrued income	32,020	31,949
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CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

22 Financial instruments

	2023 £	2022 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	2,792,193	2,823,172

23 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other taxation and social security		22,714	18,172
Government grants	24	-	2,435
Trade creditors		58,763	44,918
Other creditors		925	92
Accruals and deferred income		52,550	52,686
		134,952	118,303

24 Government grants

The deferred grant relates to a grant received in 2022 from Episkopi station for purchase of various fixtures and fittings of which £2,435 was utilized in 2023.

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	-	2,435
Movements in the year:		
Deferred income at 1 January 2023	2,435	-
Released from previous periods	(2,435)	-
Resources deferred in the year	-	2,435
Deferred income at 31 December 2023	-	2,435

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

25 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2023	Incoming resources	Resources expended	Transfers	At 31 December 2023
	£	£	£	£	£
ACEST	8,626	9,600	(8,626)	(8,323)	1,277
Army Central Fund	-	6,800	-	-	6,800
	<u>8,626</u>	<u>16,400</u>	<u>(8,626)</u>	<u>(8,323)</u>	<u>8,077</u>
Previous year:	At 1 January 2022	Incoming resources	Resources expended	Transfers	At 31 December 2022
	£	£	£	£	£
ACEST	-	24,300	(11,674)	(4,000)	8,626
	<u>-</u>	<u>24,300</u>	<u>(11,674)</u>	<u>(4,000)</u>	<u>8,626</u>

ACEST grants were provided in 2022 to cover the purchase of a new coffee machine and for some refurbishment/upgrade works at Blandford. The 2023 grant was provided to cover the cost of replacement furniture at Aldershot.

The Army Central Fund grant was provided to cover the cost of a coffee machine for the new Chicksands Centre.

26 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£	£	£
Operating cost reserve	1,020,000	-	-	-	-	1,020,000
Capital fund for future opportunities	2,229,961	-	-	(117,938)	-	2,112,023
General funds	-	1,031,958	(1,219,140)	126,261	60,921	-
	<u>3,249,961</u>	<u>1,031,958</u>	<u>(1,219,140)</u>	<u>8,323</u>	<u>60,921</u>	<u>3,132,023</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

26 Unrestricted funds (Continued)

Previous year:	At 1 January 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2022
	£	£	£	£	£	£
Operating cost reserve	1,020,000	-	-	-	-	1,020,000
Capital fund for future opportunities	2,766,603	-	-	(536,642)	-	2,229,961
General funds	-	907,520	(1,044,999)	540,642	(403,163)	-
	<u>3,786,603</u>	<u>907,520</u>	<u>(1,044,999)</u>	<u>4,000</u>	<u>(403,163)</u>	<u>3,249,961</u>

Reserves have been established as follows:

- An operating cost reserve equal to nine months' charitable activity (£1,020,000).
- A capital fund for future opportunities and investment.

27 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 December 2023 are represented by:			
Tangible assets	116,967	-	116,967
Investments	2,792,193	-	2,792,193
Current assets/(liabilities)	222,863	8,077	230,940
	<u>3,132,023</u>	<u>8,077</u>	<u>3,140,100</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 December 2022 are represented by:			
Tangible assets	85,873	-	85,873
Investments	2,823,172	-	2,823,172
Current assets/(liabilities)	340,916	8,626	349,542
	<u>3,249,961</u>	<u>8,626</u>	<u>3,258,587</u>

28 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

29 Cash generated from operations	2023	2022
	£	£
Deficit for the year	(116,223)	(534,559)
Adjustments for:		
Investment income recognised in statement of financial activities	(107,076)	(103,001)
Foreign exchange differences	(4,659)	1,623
Gain on disposal of tangible fixed assets	(2,607)	(394)
(Gain)/loss on disposal of investments	(1,680)	6,643
Fair value gains and losses on investments	(61,505)	403,063
Depreciation and impairment of tangible fixed assets	26,689	20,200
Movements in working capital:		
Decrease in stocks	16,855	8,583
(Increase)/decrease in debtors	(71)	649
Increase in creditors	19,084	42,247
(Decrease)/increase in deferred income	(2,435)	2,435
Cash absorbed by operations	(233,628)	(152,511)

30 Analysis of changes in net funds

The charity had no material debt during the year.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

England & Wales - Charity number 226684

Accounts

Charity registration number 226684

Company registration number 00034118 (England and Wales)

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

LEGAL AND ADMINISTRATIVE INFORMATION

Council Members	Rear Admiral A R Rymer CEng (Chairman) Colonel C E H Ackroyd TD RD DL (Vice Chairman) Mr I H Currie FCA Ms G Grindell MSc (Appointed 22 June 2022) Commander A E Mizen RN Commander J F J Simpson RN Commander S J Snowball RN Mr D J Foster FCA Mr S D Rice (Appointed 2 February 2022)
Chief Executive Officer	Commander P C Keefe RN
Secretary	Commander P C Keefe RN
Charity number	226684
Company number	00034118
Principal address	1 Shakespeare Terrace 126 High Street Portsmouth Hampshire PO1 2RH
Registered office	1 Shakespeare Terrace 126 High Street Portsmouth Hampshire PO1 2RH
Auditor	Jones Avens Limited Piper House 4 Dukes Court Bognor Road Chichester West Sussex PO19 8FX
Bankers	Lloyds Bank Plc 113 Commercial Road Portsmouth Hampshire PO1 1BY

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Blake Morgan LLP
Harbour Court
Compass Road
North Harbour
Portsmouth
Hampshire
PO6 4ST

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

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CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Council members present their report and financial statements for the year ended 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the charity's Articles of Association, the Companies Act 2006 and "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) (effective 1 January 2019)".

Objectives and activities

The Church of England Soldiers', Sailors' & Airmen's Clubs (short title: CESSAC) originated in Aldershot in 1857 to provide an alcohol-free, non-proselytising home-from-home for soldiers. Its founding precept (circa 1881) included its intention: "to provide for the Nation's soldiers, places where they can resort and find rest and healthy recreation and where they can associate on terms of friendly intercourse". The success of the original facility resulted in many others being opened over the years (and many closing again to match changing demand). Apart from the fact that the charity's reach has extended to cover sailors and then airmen, that precept remains as true today. CESSAC's principal aim is still, therefore, the operation of homely, welcoming amenity centres at military bases to improve the morale and wellbeing of service personnel and/or their families. At 31 December 2022, there were 9 such centres, 4 in one group (all in Cyprus) and another group with 4 in UK and one in the Falklands.

Other aims were added in the 1970s; to relieve persons who have served in H.M. Forces and the dependants of such persons as are in need of assistance including the provision and management of housing. This enabled CESSAC to contribute to the establishment of CESSA Housing Association Limited (CESSA HA), a separate charitable organisation that owns and operates sheltered housing for elderly ex-Service people, their spouses, widows, widowers and immediate relatives. CESSAC has since provided grants to CESSA HA and other eligible charities in furtherance of this aim.

CESSAC still shares its Head Office and some staff with CESSA HA, although both organisations have their own Boards and operate independently. The latter is accountable to the Regulator of Social Housing and the Financial Conduct Authority. The relationship with CESSA HA resulted in CESSAC entering into an agreement with Greenwich Hospital, a Crown Royal Navy Charity, to manage its sheltered housing (GSH) for former members of the Naval Service in the 1980s. Although reviewed regularly, this symbiotic relationship continues to this day, providing advantages for all parties.

CESSAC is a founder member (1939) of the Council for Voluntary Welfare Work (CVWW), which enables it to operate in Armed Forces establishments at home and abroad under a charter with the Ministry of Defence (MoD) – planned to become a new Memorandum of Understanding (MoU). The Charter between the MoD and CVWW recognises that the amenity centres provided by member organisations require a certain amount of primary trading in order to be sustainable. The income received is therefore one indicator of whether the centres are being used by the beneficiaries and hence meeting their welfare needs. However, there are many factors outside the charity's control, particularly changes in the number of Service personnel present in any location, and just because a centre operates at a loss does not mean it is not needed. For this reason, the current and anticipated use of each centre is regularly reviewed against the perceived benefit being provided in an attempt to best match the running costs across all of them with the likely income overall. Thus a loss-making centre perceived to be meeting a particular welfare need can be supported financially by surpluses generated elsewhere. This is detailed in a separate Impact Statement focussed on the charity's stakeholders, visible on its website. The current aim is that CESSAC's proportion of Head Office costs are funded by income on investments and from other sources. Major improvements/repairs are paid for from the long-term growth in the capital value of the investments.

The Council members have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. The beneficiaries and the respective public benefits are detailed separately at the end of this report under each of the 4 registered objects. The Council members review the strategy every 2 years to provide clear priorities for the detailed business plan, and have continued to confirm that the objects (see page 6) do not need to be revised.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

Due to the nature of CESSAC and its objects, its activities have already been described above; mainly the operation of its amenity centres (for objects i & iii) and ongoing support to CESSA HA and GHSH (object ii), as well as other eligible charities. Significant grants are only made when funds permit (but smaller grants for objects ii, iii & iv are made annually – see Note 10). While CESSAC welcomes volunteers, particularly in places like the Falklands, the nature of its work generally results in reliance on paid staff.

Achievements and performance

General. The legal restrictions for the Covid pandemic were finally lifted in UK on 31 March, only to be succeeded by a cost of living crisis. There was a thorough review of the charity's strategy this year, which recognised the limited financial scope for new initiatives. Therefore, it remains 'steady as she goes', although CESSAC will continue to look for new places that would benefit from its services. The review encompassed the policies on reserves and investments. Although the RAF has adopted gender neutral ranks e.g. Airmen & women are all now 'Aviators', the Council decided not to rush to change the Airmen in the title just yet. Following the sad death of CESSAC's patron in September, the charity awaits the result of the Royal family's reconsideration of patronages. Meanwhile, a new 4th Vice President has been appointed - the outgoing Commander British Forces Cyprus, Major General Thomson. A bursary for a naval sponsored ordinand is now in its second year (see Note 10).

Other work focussing on our charitable output and future plans continued. The Welfare Amenity Committee (WAC) undertook its annual review of centre performance, confirming the continued relevance and charitable output of all of them. CEO continues to represent CESSAC at meetings of CVWW and Cobseo, the Confederation of Service Charities. These provide invaluable information, insight and opportunities to work with other charities.

Centres in the Falklands and UK. These are straightforward coffee shops or cafes providing a homely and welcoming environment for Service personnel and their families, often adjacent to recreational facilities and/or the chaplaincy. Accordingly, each has a relatively modest turnover (all under £100K) with the Falklands and Blandford the highest. The biggest news of the year was that we managed to seize the unexpected opportunity to take over the café in the Aldershot Garrison Community Hub in May. This was made possible by CESSAC's membership of the Council of Voluntary Welfare Work, whose colleagues in 'Sandes' were having to withdraw. It could only occur, however, thanks to considerable hard work by staff, supported by the Garrison and with a grant from sister charity ACEST. Indeed, we also have ACEST to thank for a further £20k for the long-overdue refurbishment at Blandford. Meanwhile, Colchester & Woodbridge each benefited from generous local funding for new furniture and both were thanked for their Jubilee efforts. In July, the opportunity was taken to explore the potential for a centre at MoD Lyneham, but sadly the constraints proved this would not be viable. The Oasis in the Falklands remains aptly named as the place that provides refuge & relief in a barren landscape. Being an airfield and 35 miles from Port Stanley, transport is essential here and yet very challenging to obtain, so we hope the latest car lasts longer than its predecessors. The station has kindly funded a new coffee machine.

Centres in Cyprus. Unlike the other centres, some of CESSAC's locations in Cyprus include shops selling a permitted variety of often UK-sourced goods difficult to otherwise obtain. The rise of internet shopping and changing habits has continued to reduce turnover in shops. In response we have increased the proportion of centres devoted to café space. The Area Manager has managed to negotiate a number of local grants to augment CESSAC's funding for improvements at all 3 open centres this year. Dhekelia now has a marvellous new sunshade and the café area has expanded with new furniture into what used to be part of the underused shop. The latter has generated much use from those wishing to be in a temperature-controlled environment. Episkopi continues to perform really well. The reflooring and redecoration at Akrotiri have transformed the look there, which was enjoyed by an unusual number of the Naval Service this autumn - Royal Marines and sailors on a deployment. Meanwhile, the duration of the building work in Akrotiri has been extended and so has the agreement for Lady Lampson's to supply the lunches. This resulted in staff also delivering their first 'Thanksgiving' meal, which was most warmly welcomed by those so far from home in the USA, and looks set to become an annual fixture. At Nicosia, far from opening in January 2022 as hoped, sadly the British Contingent identified further urgent work was needed to the building. The start of this had to be delayed by a year or more, so there has to be a risk of even more delays or even abandonment of the project.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The centres remain well supported by the Command chain and valued by the thousands of UK Service personnel and their families, but understandably generated much less income (and expenditure) during the pandemic. Similarly, there was much less call for donations to support the community, which were a fraction of normal (Note 10).

Ex-Service personnel & their families. CESSAC has continued to enable CESSA HA to make savings through sharing a Head Office and staff and managing 91 sheltered flats at three sites on behalf of Greenwich Hospital. We were pleased to be able to return to funding a Christmas meal for the tenants of all CESSA HA schemes at a cost of £3,984 (see Note 10).

Fundraising. CESSAC does not undertake fundraising from the public itself and its Collection Boxes were introduced into locations to underline the point that it is a charity. Unsurprisingly, they are generating a reducing amount with the rise of electronic payment.

Investment performance. The investment elements have performed well from a historical perspective as well as generating invaluable income. In 2022 investment income was £103,001, although the capital value decreased by £409,706 (early 2023 has seen a partial improvement). Some further cash for use in operations was generated from taking a total return approach to the Charles Stanley portfolio and £50,000 was withdrawn from BlackRock to support the cash-flow.

Financial review

The results for the year are set out on page 12. It is clearly unwelcome that the net movement in funds shows a fall of £528,018, although this is mainly attributable to the loss on investments already mentioned. It also includes a gain on exchange of £6,543. Therefore, the actual operating position showed a loss of £124,853, which is similar to 2021. It is important to highlight here that this also includes a significant further write-down of stock value in Cyprus, a decision taken as part of the year end stocktaking.

Head Office has continued to play its part in keeping costs down and supporting all the operations and governance. This is illustrated at Note 9, where it can be seen that support costs are low and the overall net costs are considered fully justified in support of CESSAC's charitable objectives. The Council, through the WAC, keeps a close check on the operating position.

Reserves policy

The reserves policy is reviewed annually and in 2022 operational reserves were maintained at 9 months' of turnover, £1,020,000, to cover the number of centres and dispersion of cash between different banks/currencies. Other reserves are maintained to fund repairs/improvements of the Clubs and/or make donations in furtherance of the charity's aims (see Note 26). However, since the trading income alone has been insufficient to fund centre operations for some years, the charity expects to continue to use income from investments to enable the charitable output to continue.

Investment policy. The Council members ensure that the capital held by CESSAC is invested prudently and conservatively over the long term for the ultimate benefit of meeting its objectives. Their policy is to increase both capital and income from the investments over the long term. The reserves are invested across a number of financial institutions; the greater part is in AFCGIF units, currently managed by BlackRock, with most of the rest in a Charles Stanley discretionary managed portfolio at medium low risk. The remainder is in a Virgin Money Charity Deposit Account.

Principal Risks and Uncertainties

The Council has taken a risk-based approach to internal controls, including directing members to undertake internal auditing. The most significant risks to the charity relate to investments, since little capital is tied up in any individual centre. The Council follows a policy of spreading these at medium to low risk as described in the Investment Policy, reviews their performance at every opportunity and has an Investment Panel to oversee the investment environment between meetings. The Council members have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to them.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

Over the charity's 132 years since incorporation, it has usually been alterations in the Armed Forces that have both presented new opportunities and/or caused existing centres to close. It is for this reason that most current centres have not received significant capital and are developed with the assistance of the relevant establishment and funding sought from other sources. Therefore, the success or failure of individual centres is unlikely to present a significant risk. The UK Government completed a Defence & Security review in March 2021, which does not appear to have any obvious direct effects.

Withdrawal from any centre is considered if sustained losses there cannot be justified by the assessed charitable benefit in that location, but otherwise service is maintained as long as the overall performance of the charity is satisfactory. Loss of the Greenwich Hospital agreement would deprive the charity of some income and the economies inherent in shared facilities. This is mitigated by demonstrating the efficiency and added value provided to the management of the sheltered housing, which has resulted in a new five-year agreement until 31 January 2028. The risk policy is regularly reviewed and the register is maintained in a detailed matrix. A clear system is operated to ensure that every risk is reviewed either by Council or WAC at least annually.

2023 & Plans for the future

Efforts will continue to explore potential new centres at Thorney Island and RAF Cosford. Fellow CVWW member Sandes announced in early 2023 that its 5 centres would be closing at the end of March. Staff have visited Pirbright and offered to take over there, but the other 4 appear more suitable for other charities. Episkopi will be refurbished once the shop area has been reduced further and the station plans to install a new extractor fan. The Council will conduct quinquennial reviews of both auditors and investment managers and intends to update the Articles.

Going Concern

Rolling forecasts are maintained for both cash-flow and income & expenditure, both of which currently predict a better year ahead than 2022. The Council firmly believes the charity remains a going concern, since the likely rate of loss should be containable for significantly more than 12 months.

Structure, governance and management

CESSAC is a charity (No. 226684) and a company limited by guarantee and not having share capital, registered in England (No. 00034118). It does not trade for profit, is exempt from Corporation Tax and is VAT-registered. (No. 675 8276 83). Its Memorandum and Articles of Association govern the charitable company, including the appointment and reappointment of its members of Council.

CESSAC is governed by the Council, which met 5 times in 2022 (once via Microsoft Teams due to the pandemic) with 88% attendance. The WAC meets three times a year and reports its activities at the next Council meeting and seeks approval for any strategic decisions. The Council and WAC are assisted in their responsibilities by the Chief Executive Officer (CEO) who manages the operations and personnel.

None of the Council members has any beneficial interest in the company. All of the Council members are members of the company and guarantee to contribute £1 in the event of a winding up. Trustees indemnity insurance up to £500K is provided as part of a portfolio of policies.

The Council members, who are also the directors for the purpose of company law, and who served during the year were:

Rear Admiral A R Rymer CEng (Chairman)

Colonel C E H Ackroyd TD RD DL (Vice
Chairman)

Mr A J Cobb FCiH

(Retired 22 June 2022)

Mr I H Currie FCA

Ms G Grindell MSc

(Appointed 22 June 2022)

Commander A E Mizen RN

Mrs A C Rodgers FCA

(Retired 22 June 2022)

Commander J F J Simpson RN

Commander S J Snowball RN

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS
COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2022

Mr D J Foster FCA

Mr S D Rice

(Appointed 2 February 2022)

Advertisements are made to attract potential members/trustees, whose applications are then considered by the Council. Those selected as members are eligible to sit on committees and vote at general meetings. Potential trustees are invited to an informal meeting with the Chairman. This is followed by a brief from the CEO and an invitation to attend the next Council meeting as an observer. A formal invitation to join the Council will follow if both parties agree, followed by induction conducted by the CEO. New trustees are co-opted until election is considered at the next AGM. Training is offered regularly and the Council reviews Charity Commission e-mails, Governance & Leadership/Charity Finance magazines and other material to keep up to date.

The Charity Governance Code. Performance against the Charity Code of Governance 2017 and the Cobseo aide-memoire have been assessed. The organisation met all criteria, save for one relating to Equality and Diversity, which history and recruitment opportunities render difficult for us to achieve, notwithstanding a stated Policy in this area, applied across the organisation. Subject to the usual ebb and flow of representation in a relatively small organisation, gender balance overall has been satisfactory. However, an underlying requirement for military experience, and the need to maintain a range of skills and qualifications against low turnover, together with some geographical restrictions, have limited the available field from which minority involvement in governance matters can be drawn. In order to maximise the opportunity for minority participation in future, recruitment criteria, advertising and procedures are kept under review.

Remuneration policy. All of the members are unpaid volunteers. The overall purpose of remuneration policy for the staff at all levels, together with their terms and conditions of service, is to attract and retain those with appropriate skills, experience and competencies who are committed to delivering the relevant charitable work and purposes. Although CESSAC does not engage in substantive levels of fundraising or voluntary work, the esteem and value derived from working in the charitable sector are noted, as recommended. With a principal aim of fairness and no overriding factors, save for affordability, the following will be taken into account when deciding remuneration:

- The scope of individual responsibilities; any fundamental change; and performance against short and long term expectations and objectives.
- Affordability (sustainability) of the total cost of remuneration awards when measured against the needs.
- The likely impact on the beneficiaries.
- Comparability in appropriate sectors, together with: national remuneration trends and minimum wage regulations; inflation; and applicable local/overseas factors.
- The remuneration ratio between Senior and other staff in the organisation.
- The combined effect of pay and other elements of wider remuneration packages, including any non-consolidated awards.

Relationships. CESSAC shares a common root with the Aldershot Church of England Services Trust, and three of the former's members are appointed as trustees for the latter. CEO is CESSAC's trustee for CVWW.

Asset cover for funds

The charity has no significant restricted funds and therefore no analysis of funds is given in the notes.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

Registered charitable objects

The objects for which the Charity is established are below in 'inverted commas', each followed by a summary of the benefits delivered to the respective beneficiaries:

(i) 'To open, carry on, establish and maintain Church of England Soldiers', Sailors' & Airmen's Clubs or Centres in military stations and other places at home and abroad, and to assist local or other efforts to open, carry on, establish and maintain such clubs or centres'. The aim remains to provide homely facilities for serving personnel and/or their families. The benefit they derive from the centres is amply demonstrated by their use and the strength of support from the chain of command.

(ii) 'To further the religious and charitable work of the Church of England amongst those serving in H.M. Forces'. This is achieved by working with Service Chaplains wherever possible, without impinging on the non-religious nature of the centres. It includes offering a grant to help Service-sponsored ordinands (Note 10).

(iii) 'To relieve persons who have served in H.M. Forces and the dependants of such persons as are in need of assistance including the provision and management of housing'. This aim is clear and currently largely, but not exclusively, delivered through the assistance provided to CESSA Housing Association & GHSH.

(iv) 'To promote the efficiency of H.M. Forces by the provision of facilities and equipment for educational, recreation and leisure pursuits for those serving in H.M. Forces, whether at Church of England Soldiers', Sailors' & Airmen's Clubs or Centres or elsewhere and whether at home or abroad'. This is a recognised broad Object to enable a wide range of support to be provided for the benefit of serving personnel as needs arise. The level of the losses over recent years has meant that this aim is currently supported by a number of small grants to other organisations, listed for Cyprus at Note 10.

Auditor

In accordance with the charity's articles, a resolution proposing that Jones Avens Limited be reappointed as auditor of the charity will be put at a General Meeting.

Disclosure of information to auditor

Each of the Council members has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Council members' report was approved by the Board of Council Members.



Rear Admiral A R Rymer CEng (Chairman)

Chairman

Dated: 19 April 2023

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The Council members, who are also the directors of Church of England Soldiers', Sailors' & Airmen's Clubs for the purpose of company law, are responsible for preparing the Council Members' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Council members to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Council members 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 have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

INDEPENDENT AUDITOR'S REPORT

TO THE COUNCIL MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

Opinion

We have audited the accounts of Church of England Soldiers', Sailors' & Airmen's Clubs (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 Council members' 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 charity'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 Council members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Council members are responsible for the other information. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Council members' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCIL MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

Responsibilities of Council members

As explained more fully in the statement of Council members' responsibilities, the Council members, who are also the directors of the charity for the purpose 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 Council members 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 Council members are responsible for assessing the charity'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 Council members 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 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Identification and assessment of irregularities including fraud

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

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the association, including The Companies Act 2006 and The Charities Act 2011;
- we obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework by making appropriate enquiries of management as well as considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- we made enquiries of those charged with governance and management concerning:
 - the risks of fraud;
 - instances of non-compliance with laws and regulations or knowledge of actual, suspected, or alleged fraud is documented during the period;
- we allocated an engagement team that we considered collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCIL MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

Audit response to the risk of irregularities including fraud

Based on the results of our risk assessment, our procedures included, but were not limited to:

- performing analytical procedures to identify any unusual or unexpected relationships.
- evaluating whether the selection and application of accounting policies by the entity that may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings.
- assessing whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias.
- agreeing financial statement disclosures to underlying supporting documentation.
- reading the minutes of meetings of those charged with governance.
- testing of journal entries to address the risk of fraud through management override.
- incorporating an element of unpredictability in the selection of the nature, timing, and extent of our audit procedures.
- corroborating the business rationale for transactions outside the normal course of business.

Conclusions regarding the risks of irregularities including fraud

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We considered our audit was capable of detecting irregularities due to:

- the effectiveness of the entity's internal controls;
- the nature, timing and extent of audit procedures performed; and
- the absence of contradictory evidence.

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

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCIL MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Claire Norwood BSc FCA ATII (Senior Statutory Auditor)
for and on behalf of Jones Avens Limited

19 April 2023

Chartered Accountants
Statutory Auditor

Piper House
4 Dukes Court
Bognor Road
Chichester
West Sussex
PO19 8FX

Jones Avens Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £
<u>Income and endowments from:</u>					
Voluntary income	4	17,047	24,300	41,347	65,380
Charitable activities	5	686,354	-	686,354	410,106
Investments	3	103,001	-	103,001	101,509
Other income	6	101,118	-	101,118	93,473
Total income		907,520	24,300	931,820	670,468
<u>Expenditure on:</u>					
Raising funds	7	7,970	-	7,970	7,813
Charitable activities	8	1,035,829	11,674	1,047,503	776,076
Other	14	1,200	-	1,200	794
Total resources expended		1,044,999	11,674	1,056,673	784,683
Net operating deficit		(137,479)	12,626	(124,853)	(114,215)
Net gains/(losses) on investments	12	(409,706)	-	(409,706)	308,631
Net (outgoing)/incoming resources before transfers		(547,185)	12,626	(534,559)	194,416
Gross transfers between funds	16	4,000	(4,000)	-	-
Net (outgoing)/incoming resources		(543,185)	8,626	(534,559)	194,416
Other recognised gains and losses					
Other gains or losses	18	6,543	-	6,543	(16,514)
Net movement in funds		(536,642)	8,626	(528,016)	177,902
Fund balances at 1 January		3,786,603	-	3,786,603	3,608,701
Fund balances at 31 December		3,249,961	8,626	3,258,587	3,786,603

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

BALANCE SHEET

AS AT 31 DECEMBER 2022


	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	17		85,873		59,375
Investments	19		2,823,172		3,280,429
			<u>2,909,045</u>		<u>3,339,804</u>
Current assets					
Stocks	20	53,198		65,094	
Debtors	21	31,949		32,185	
Cash at bank and in hand		382,698		425,742	
			<u>467,845</u>	<u>523,021</u>	
Creditors: amounts falling due within one year	23	(118,303)		(76,222)	
Net current assets			<u>349,542</u>	<u>446,799</u>	
Total assets less current liabilities			<u>3,258,587</u>	<u>3,786,603</u>	
Income funds					
Restricted funds	25		8,626		-
<u>Unrestricted funds</u>					
Designated funds	26	3,249,961		3,786,603	
			<u>3,249,961</u>	<u>3,786,603</u>	
			<u>3,258,587</u>	<u>3,786,603</u>	


The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The Council members are responsible for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Council Members on 19 April 2023


Mr I H Currie FCA
Trustee


Commander J F J Simpson RN
Trustee

Company Registration No. 00034118

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	29		(152,511)		(143,753)
Investing activities					
Purchase of tangible fixed assets		(45,542)		(1,343)	
Proceeds on disposal of tangible fixed assets		1,594		3,611	
Purchase of investments		(88,561)		(49,362)	
Proceeds on disposal of investments		136,112		83,060	
Investment income		103,001		101,509	
Net cash generated from investing activities			106,604		137,475
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(45,907)		(6,278)
Cash and cash equivalents at beginning of year			425,742		436,978
Effect of foreign exchange rates			2,863		(4,958)
Cash and cash equivalents at end of year			<u>382,698</u>		<u>425,742</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Council members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Accounting policies

Charity information

Church of England Soldiers', Sailors' & Airmen's Clubs is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Shakespeare Terrace, 126 High Street, Portsmouth, Hampshire, PO1 2RH.

2.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

2.2 Going concern

At the time of approving the financial statements, the Council members have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Council members continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Council members in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Council members for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

2.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

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 from charitable trading activities principally represents retail sales and other income in CESSAC's Services Centre in Cyprus and at CESSAC Centres in the UK and elsewhere with other operating income arising from fees for managing sheltered lettings, owned by other charitable bodies, for ex-members of HM Forces and their spouses.

2.5 Resources expended

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:

- Expenditure on charitable activities undertaken to further the purposes of the charity and their associated support and governance costs.
- Costs of raising funds comprise the costs of the investment portfolio management.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 9.

2.6 Tangible fixed assets

Tangible fixed assets are measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% straight line basis
Leasehold properties	Cyprus improvements 10% straight line basis
Furniture, fittings & equipment	10 - 25% straight line basis
Vehicles	20% straight line basis

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies

(Continued)

2.7 Fixed asset investments

Listed investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in income and expenditure. Transaction costs are expensed to income and expenditure as incurred.

The fixed asset investment loan is initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investment is assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in income and expenditure.

2.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). No such indications were noted.

2.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.11 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in net income/(expenditure), except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in or in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies (Continued)

2.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2.14 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

2.15 Taxation

CESSAC is a registered charity and is not subject to taxation on income. Any income tax recovered on investment income and covenanted subscriptions is included with the respective income.

2.16 Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover, including the Coronavirus Job Retention Scheme and other Coronavirus related support are recognised as income over the periods when the related costs are incurred.

3 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Income from listed investments	102,681	101,347
Interest receivable	320	162
	<u>103,001</u>	<u>101,509</u>

4 Voluntary income

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2022	2022	2022	2021
	£	£	£	£
Donations and gifts	2,111	-	2,111	376
Government grants	3,867	-	3,867	65,004
Other grants	11,069	24,300	35,369	-
	<u>17,047</u>	<u>24,300</u>	<u>41,347</u>	<u>65,380</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Voluntary income

(Continued)

Government grants received

Coronavirus Job Retention Scheme grant	-	-	-	40,868
Discretionary Covid-19 grants	3,867	-	3,867	24,136
	<u>3,867</u>	<u>-</u>	<u>3,867</u>	<u>65,004</u>

5 Charitable activities

	Supporting HM Forces in the UK and overseas	Centres in Cyprus supporting HM Forces overseas	Total 2022	Supporting HM Forces in the UK and overseas	Centres in Cyprus supporting HM Forces overseas	Total 2021
	2022	2022		2021	2021	
	£	£	£	£	£	£
Sales within charitable activities	194,387	474,751	669,138	112,010	297,234	409,244
Other income	296	16,920	17,216	397	465	862
	<u>194,683</u>	<u>491,671</u>	<u>686,354</u>	<u>112,407</u>	<u>297,699</u>	<u>410,106</u>

Charitable trading income

Incoming resources derive from UK and overseas activities plus income from charitable trading activities deriving from CESSAC Centres in Cyprus supporting HM Forces overseas.

6 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Net gain on disposal of tangible fixed assets	1,594	-
Management fees and office rent	99,524	93,473
	<u>101,118</u>	<u>93,473</u>

7 Raising funds

	2022	2021
	£	£
Investment management	7,970	7,813

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Charitable activities

	Supporting HM Forces in the UK and overseas 2022 £	Centres in Cyprus supporting HM Forces overseas 2022 £	Total 2022 £	Supporting HM Forces in the UK and overseas 2021 £	Centres in Cyprus supporting HM Forces overseas 2021 £	Total 2021 £
Staff costs	185,843	204,861	390,704	144,198	139,664	283,862
Depreciation and impairment	5,763	14,197	19,960	3,288	12,167	15,455
Cost of supplies	72,000	215,036	287,036	38,422	172,592	211,014
Operating costs	35,098	138,268	173,366	31,578	70,537	102,115
	<u>298,704</u>	<u>572,362</u>	<u>871,066</u>	<u>217,486</u>	<u>394,960</u>	<u>612,446</u>
Grant funding of activities (see note 10)	-	421	421	-	11	11
Share of support costs (see note 9)	91,425	51,178	142,603	86,350	47,461	133,811
Share of governance costs (see note 9)	14,033	19,380	33,413	12,520	17,288	29,808
	<u>404,162</u>	<u>643,341</u>	<u>1,047,503</u>	<u>316,356</u>	<u>459,720</u>	<u>776,076</u>
Analysis by fund						
Unrestricted funds	392,488	643,341	1,035,829	316,356	459,720	776,076
Restricted funds	11,674	-	11,674	-	-	-
	<u>404,162</u>	<u>643,341</u>	<u>1,047,503</u>	<u>316,356</u>	<u>459,720</u>	<u>776,076</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Staff costs	121,753	23,191	144,944	116,397	22,171	138,568
Depreciation	202	38	240	202	38	240
Head office costs	20,648	-	20,648	17,212	-	17,212
Audit fees	-	4,353	4,353	-	3,970	3,970
Legal and professional	-	4,822	4,822	-	3,063	3,063
Committee costs and expenses	-	1,009	1,009	-	566	566
	<u>142,603</u>	<u>33,413</u>	<u>176,016</u>	<u>133,811</u>	<u>29,808</u>	<u>163,619</u>
Analysed between						
Charitable activities	<u>142,603</u>	<u>33,413</u>	<u>176,016</u>	<u>133,811</u>	<u>29,808</u>	<u>163,619</u>

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the charitable activities undertaken in the year.

10 Grants payable

CESSAC made the following principal donations in the UK:

Grants to CESSA HA tenants for Christmas vouchers/social functions - 2022: £3,296 (2021: £3,984).
Annual grant to a sponsored ordinand - 2022: £778 (2021: £707)

CESSAC Cyprus made the following donations:

Various smaller donations 2022:

Details	Amount
Donation of Christmas sweets for Episkopi Christmas Market	€ 30
Donation of Christmas sweets for BFBS radio competition	€ 30
Donation of Christmas sweets for Dhekelia Station	€ 15
Donation to Akrotiri welfare funds - new popcorn machine	€ 400
Total	€ 475

(2021: €13)

11 Council Members

None of the Council members (or any persons connected with them) received any remuneration during the year, but 5 of them were reimbursed a total of £530 travelling expenses (2021 - 5 were reimbursed £289).

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Revaluation of investments	(403,063)	304,783
Gain/(loss) on sale of investments	(6,643)	3,848
	<u>(409,706)</u>	<u>308,631</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Full time (UK & FI)	3	4
Part time (UK & FI)	10	8
Full time (Cyprus)	3	3
Part time (Cyprus)	14	14
	30	29
	30	29

Employment costs

	2022 £	2021 £
Wages and salaries	487,663	388,284
Social security costs	32,483	19,913
Other pension costs	15,502	14,233
	535,648	422,430
	535,648	422,430

Chief Executive Remuneration

The Chief Executive, the only Senior Executive, is one of the members of staff jointly employed with a related party, Church of England Soldiers', Sailors' and Airmen's Housing Association Ltd (the 'association'). The Chief Executive is not a Director, but was an ordinary member of the association's defined contribution pension scheme (The Social Housing Pension Scheme administered by The Pension Trust) carrying no special terms. He has no other individual pension arrangement to which either entity makes a contribution. The main outputs of the two entities are: CESSAC's Charity Centres; and sheltered housing. The latter encompasses schemes belonging to the association and those managed by CESSAC for Greenwich Hospital. The division of the costs for all joint employees is regularly reassessed in proportion to the value of contribution to each entity. The 2019 re-assessment of the share of such costs led to CEO's being 50% each for 2020 to the association and to CESSAC. This resulted in the share of costs below (excluding national insurance contributions):

	2022	2021
CESSAC Emoluments	£37,948	£37,113
Association Emoluments	£37,949	£37,113
Total Emoluments	£75,897	£74,226
CESSAC pension contribution	£3,795	£3,711
Association pension contribution	£3,795	£3,711
Total pension contributions	£7,590	£7,422

There were no employees whose annual remuneration was £60,000 or more.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Other

	Unrestricted funds	Unrestricted funds
	2022	2021
Net loss on disposal of tangible fixed assets	1,200	794
	<u>1,200</u>	<u>794</u>

15 Taxation

No charge to corporation tax arises on the results for the year.

16 Transfers

The transfer between restricted and unrestricted funds represents the restricted funds spent on fixed asset additions.

17 Tangible fixed assets

	Land and buildings	Leasehold properties	Furniture, fittings & equipment	Vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2022	12,000	253,072	168,447	33,668	467,187
Additions	-	-	39,042	6,500	45,542
Disposals	-	-	(17,275)	(12,855)	(30,130)
Exchange adjustments	-	13,837	5,492	1,623	20,952
At 31 December 2022	<u>12,000</u>	<u>266,909</u>	<u>195,706</u>	<u>28,936</u>	<u>503,551</u>
Depreciation and impairment					
At 1 January 2022	4,560	249,354	121,430	32,468	407,812
Depreciation charged in the year	240	2,561	16,099	1,300	20,200
Eliminated in respect of disposals	-	-	(17,275)	(11,655)	(28,930)
Exchange adjustments	-	13,632	3,341	1,623	18,596
At 31 December 2022	<u>4,800</u>	<u>265,547</u>	<u>123,595</u>	<u>23,736</u>	<u>417,678</u>
Carrying amount					
At 31 December 2022	<u>7,200</u>	<u>1,362</u>	<u>72,111</u>	<u>5,200</u>	<u>85,873</u>
At 31 December 2021	<u>7,440</u>	<u>3,718</u>	<u>47,017</u>	<u>1,200</u>	<u>59,375</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Other gains or losses

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Foreign exchange (losses)/gains	6,543	(16,514)

19 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2022	3,280,429
Additions	88,561
Valuation changes	(403,063)
Disposals	(142,755)
At 31 December 2022	2,823,172
Carrying amount	
At 31 December 2022	2,823,172
At 31 December 2021	3,280,429

Fixed asset investments revalued

Listed investments include an investment portfolio managed by Charles Stanley and an Armed Forces Common Investment Fund managed by Black Rock and are included on the basis of market value, with an historical cost of £2,576,808 (2021 - £2,435,209).

20 Stocks

	2022	2021
	£	£
Finished goods and goods for resale	53,198	65,094

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

21 Debtors		2022	2021
		£	£
Amounts falling due within one year:			
Trade debtors		-	600
Other debtors		-	2,625
Prepayments and accrued income		31,949	28,960
		<u>31,949</u>	<u>32,185</u>

22 Financial instruments		2022	2021
		£	£
Carrying amount of financial assets			
Instruments measured at fair value through profit or loss		2,823,172	3,280,429
		<u>2,823,172</u>	<u>3,280,429</u>

23 Creditors: amounts falling due within one year		2022	2021
		£	£
	Notes		
Other taxation and social security		18,172	11,357
Government grants	24	2,435	-
Trade creditors		44,918	19,858
Other creditors		92	-
Accruals and deferred income		52,686	45,007
		<u>118,303</u>	<u>76,222</u>

24 Government grants

The deferred grant relates to a grant received in 2022 from Episkopi station for purchase of various fixtures and fittings of which £2,435 was utilized in 2023.

Deferred income is included in the financial statements as follows:

	2022	2021
	£	£
Deferred income is included within:		
Current liabilities	2,435	-
	<u>2,435</u>	<u>-</u>
Movements in the year:		
Deferred income at 1 January 2022	-	4,524
Released from previous periods	-	(4,524)
Resources deferred in the year	2,435	-
	<u>2,435</u>	<u>-</u>
Deferred income at 31 December 2022	2,435	-

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

25 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds			
	Incoming resources	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Balance at 31 December 2022
	£	£	£	£	£	£
ACEST	-	-	24,300	(11,674)	(4,000)	8,626

ACEST provided two grants to CESSAC during the year to cover the purchase of a new coffee machine and for some refurbishment/upgrade works at Blandford.

26 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				
	Balance at 1 January 2021	Incoming resources	Balance at 1 January 2022	Transfers	Balance at 31 December 2022
	£	£	£	£	£
Operating cost reserve	1,020,000	-	1,020,000	-	1,020,000
Capital fund for future opportunities	2,588,303	178,300	2,766,603	(536,642)	2,229,961
	3,608,303	178,300	3,786,603	(536,642)	3,249,961

Reserves have been established as follows:

- An operating cost reserve equal to nine months' charitable activity (£1,020,000).
- A capital fund for future opportunities and investment.

27 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £
Fund balances at 31 December 2022 are represented by:				
Tangible assets	85,873	-	85,873	59,375
Investments	2,823,172	-	2,823,172	3,280,429
Current assets/(liabilities)	340,916	8,626	349,542	446,799
	3,249,961	8,626	3,258,587	3,786,603

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

28 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

29 Cash generated from operations	2022 £	2021 £
(Deficit)/surplus for the year	(534,559)	194,416
Adjustments for:		
Investment income recognised in statement of financial activities	(103,001)	(101,509)
Foreign exchange differences	4,486	(1,779)
(Gain)/loss on disposal of tangible fixed assets	(394)	794
Loss/(gain) on disposal of investments	6,643	(3,848)
Fair value gains and losses on investments	403,063	(304,783)
Depreciation and impairment of tangible fixed assets	20,200	15,695
Movements in working capital:		
Decrease in stocks	8,583	56,062
Decrease in debtors	649	16,242
Increase/(decrease) in creditors	42,247	(10,845)
Increase/(decrease) in deferred income	2,435	(4,198)
Cash absorbed by operations	(149,648)	(143,753)

30 Analysis of changes in net funds

The charity had no debt during the year.

Document Activity Report

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CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

England & Wales - Charity number 226684

Accounts

Charity Registration No. 226684

Company Registration No. 00034118 (England and Wales)

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

LEGAL AND ADMINISTRATIVE INFORMATION

Council Members	Rear Admiral A R Rymer CEng (Chairman) Colonel C E H Ackroyd TD RD DL (Vice Chairman) Mr A J Cobb FCiH Commander A E Mizen RN Mrs A C Rodgers FCA Commander J F J Simpson RN Commander S J Snowball RN Mr I H Currie FCA Mr D J Foster FCA Mr S D Rice (Appointed 2 February 2022)
Chief Executive Officer	Commander P C Keefe RN
Secretary	Commander P C Keefe RN
Charity number	226684
Company number	00034118
Principal address	1 Shakespeare Terrace 126 High Street Portsmouth Hampshire PO1 2RH
Registered office	1 Shakespeare Terrace 126 High Street Portsmouth Hampshire PO1 2RH
Auditor	Jones Avens Limited Piper House 4 Dukes Court Bognor Road Chichester West Sussex PO19 8FX
Bankers	Lloyds Bank Plc 113 Commercial Road Portsmouth Hampshire PO1 1BY

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Blake Morgan LLP
Harbour Court
Compass Road
North Harbour
Portsmouth
Hampshire
PO6 4ST

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

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CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Council members present their report and financial statements for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the charity's Articles of Association, the Companies Act 2006 and "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) (effective 1 January 2019)".

Objectives and activities

The Church of England Soldiers', Sailors' & Airmen's Clubs (short title: CESSAC) originated in Aldershot in 1857 to provide an alcohol-free, non-proselytising home-from-home for soldiers. Its founding precept (circa 1881) included its intention: "to provide for the Nation's soldiers, places where they can resort and find rest and healthy recreation and where they can associate on terms of friendly intercourse". The success of the original facility resulted in many others being opened over the years (and many closing again to match changing demand). Apart from the fact that the charity's reach has extended to cover sailors and then airmen, that precept remains as true today. CESSAC's principal aim is still, therefore, the operation of homely, welcoming amenity centres at military bases to improve the morale and wellbeing of service personnel and/or their families. At 31 December 2021, there were 8 such centres, 4 in one group (all in Cyprus) and another group with 3 in UK and one in the Falklands.

Other aims were added in the 1970s; to relieve persons who have served in H.M. Forces and the dependants of such persons as are in need of assistance including the provision and management of housing. This enabled CESSAC to contribute to the establishment of CESSA Housing Association Limited (CESSA HA), a separate charitable organisation that owns and operates sheltered housing for elderly ex-Service people, their spouses, widows, widowers and immediate relatives. CESSAC has since provided grants to CESSA HA and other eligible charities in furtherance of this aim.

CESSAC still shares its Head Office and some staff with CESSA HA, although both organisations have their own Boards and operate independently. The latter is accountable to the Regulator of Social Housing and the Financial Conduct Authority. The relationship with CESSA HA resulted in CESSAC entering into an agreement with Greenwich Hospital, a Crown Royal Navy Charity, to manage its sheltered housing (GHS) for former members of the Naval Service in the 1980s. Although reviewed regularly, this symbiotic relationship continues to this day, providing advantages for all parties.

CESSAC is a founder member (1939) of the Council for Voluntary Welfare Work (CVWW), which enables it to operate in Armed Forces establishments at home and abroad under a charter with the Ministry of Defence (MoD). The Charter between the MoD and CVWW recognises that the amenity centres provided by member organisations require a certain amount of primary trading in order to be sustainable. The income received is therefore one indicator of whether the centres are being used by the beneficiaries and hence meeting their welfare needs. However, there are many factors outside the charity's control, particularly changes in the number of Service personnel present in any location, and just because a centre operates at a loss does not mean it is not needed. For this reason, the current and anticipated use of each centre is regularly reviewed against the perceived benefit being provided in an attempt to best match the running costs across all of them with the likely income overall. Thus a loss-making centre perceived to be meeting a particular welfare need can be supported financially by surpluses generated elsewhere. This is detailed in a separate Impact Statement focussed on the charity's stakeholders, visible on its website. The current aim is that CESSAC's proportion of Head Office costs are funded by income on investments and from other sources. Major improvements/repairs are paid for from the growth in the capital value of the investments.

The Council members have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. The beneficiaries and the respective public benefits are detailed separately at the end of this report under each of the 4 registered objects. The Council members review the strategy every 2 years to provide clear priorities for the detailed business plan, and have continued to confirm that the objects (see page 7) do not need to be revised.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

Due to the nature of CESSAC and its objects, its activities have already been described above; mainly the operation of its amenity centres (for objects i & iii) and ongoing support to CESSA HA and GSHH (object ii), as well as other eligible charities. Significant grants are only made when funds permit (but smaller grants for objects ii, iii & iv are made annually – see Note 10). While CESSAC welcomes volunteers, particularly in places like the Falklands, the nature of its work generally results in reliance on paid staff.

In 2012 the charity loaned CESSA HA £520,000 at an interest rate of 2.5% (renewed in 2017 for a further 3 years) that enabled the latter to save money by redeeming its expensive mortgages (taken out when rates were over 10%). This arrangement also provided a better income for the charity than was available from its deposit accounts. Accordingly, the remaining balance of this beneficial loan was recorded as a Designated Fund (Note 24). Following the latest review of the terms of the loan which took place in April 2020, CESSA HA decided to repay the loan in full during the year ended 31 December 2020, which was noted to be beneficial for both entities.

Achievements and performance

General. By the time the 2020 report was completed, it included the fact that there had been an extended lockdown since January 2021 in both UK & Cyprus and the impact by location. Restrictions were gradually lifted, but then some re-imposed later in the year. In addition to having to conform to the legal requirements by location, the other challenge has been needing to overcome beneficiary caution about socialising. The world's "hospitality sector" has been significantly affected everywhere by the combination of these so CESSAC's charitable output has been significantly reduced for a second year in a row. Overall, our head office team and area managers continued to respond magnificently, juggling the conflicting issues to provide the optimum service at lowest cost. The detail about CESSAC's operations is best covered in the separate sections that follow. Only the UK Government provided grants via the charity (mainly for those 'furloughed'), which is therefore reflected in the accounts, bolstering the turnover in UK.

The Board would again like to record its appreciation of the highly professional and innovative response of our top team and managers. In unprecedented times the impact on our bottom line has been limited enabling CESSAC to sustain a position from which it can respond swiftly as demand returns to "normal". The Board is also most grateful for the understanding and commitment of all staff, who in many respects have borne the brunt, personally, of national restrictions on their work and their income.

Perhaps unsurprisingly, there were no developments about the hoped-for cafe at RAF Cosford in 2021. More positively, staff have progressed whether CESSAC might open a centre on Thorney Island. CESSAC will continue to pursue these potential opportunities and others that may arise as we emerge from the pandemic.

Other work focussing on our charitable output and future plans continued. The Welfare Amenity Committee (WAC) undertook its annual review of centre performance, confirming the continued relevance and charitable output of all of them. CEO continues to represent CESSAC at meetings of CVWW and Cobseo, the Confederation of Service Charities. These provide invaluable information, insight and opportunities to work with other charities.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

Centres in the Falklands and UK. These are straightforward coffee shops or cafes providing a homely and welcoming environment for Service personnel and their families, often adjacent to recreational facilities and/or the chaplaincy. Accordingly, each has a relatively modest turnover (all under £100K) with the Falklands and Blandford the highest. In the Falklands, a new SLA was signed in January. There was a brief 3-week lockdown in February, finishing just in time for a new Assistant Manager to arrive. Both Manager and Assistant returned to UK for personal reasons, but fortunately able replacements were recruited in time to enable the Oasis to continue operating successfully. UK cafes were closed throughout the third lockdown from the beginning of January. Although step 3 of the Government's roadmap was implemented on 17 May, it was decided to re-open after half-term from 8 June, initially on a 3-day-a-week basis. The Government's decision to extend the furlough scheme until September was therefore most welcome, as were the number of discretionary grants for individual centres. The centres extended their opening in early September and returned to full-time from October. CESSAC has continued to pursue the potential opportunities at Cosford & Thorney Island.

Centres in Cyprus. Unlike the other centres, all four of CESSAC's locations in Cyprus include shops selling a permitted variety of often UK-sourced goods difficult to otherwise obtain. The rise of internet shopping has continued to reduce turnover in shops, which has resulted in increasing the proportion of centres devoted to café space. The consequences of Brexit continue to emerge, but have not caused significant difficulties since more goods have been able to be sourced locally. There was a second lockdown from early January, when Dhekelia & Nicosia were shut completely due to local circumstances. Akrotiri & Episkopi were at least able to operate a take-away service within the British camps, continuing to provide a valued charitable output in this difficult time for the Service personnel and their families there. Whereas the Cypriot Government had made 'furlough'-type payments to individuals directly during the first lockdown, for the second this changed to be via employers but charities were excluded. After a while, any staff not required had to be laid-off so that they could claim unemployment benefit. A partial relaxation of measures from 10 May enabled cafes to serve customers outside, which was immediately offered at Akrotiri and Episkopi. Service indoors with restrictions was possible from 1 June and Dhekelia re-opened, but only Friday to Sunday. Unlike UK, a number of restrictions still remain in place, particularly affecting use at Dhekelia. Nicosia's long-standing centre has been inside the security-constrained UN camp and a combination of factors has now made it unviable to re-open. Fortunately, CESSAC has been offered a new home nearby in the revamped British Community Centre, which it is hoped to move into in 2022. It proved difficult to obtain authorisation to replace the beach kiosk at Dhekelia, so an alternative may be required.

All four centres remain well supported by the Command chain and valued by the thousands of UK Service personnel and their families, but understandably generated much less income (and expenditure) due to the pandemic. Similarly, there was much less call for donations to support the community, which were a fraction of normal (Note 10). The pandemic prevented a fair being organised this year.

Ex-Service personnel & their families. CESSAC has continued to enable CESSA HA to make savings through sharing a Head Office and staff and managing 91 sheltered flats at three sites on behalf of Greenwich Hospital. It normally funds an annual Christmas meal for the tenants of all CESSA HA schemes, but these could not be safely planned due to Covid-19. Instead, it funded vouchers to the same value at a cost of £3,984 (see Note 10).

Fundraising. CESSAC does not undertake fundraising from the public itself and its Collection Boxes were introduced into locations to underline the point that it is a charity. Unsurprisingly, they have not generated much this year.

Investment performance. The investment elements have performed well from a historical perspective as well as generating invaluable income. In 2021 dividend income was £101,509 and the increase in capital value was £308,631, although some further cash for use in operations was generated from taking a total return approach to the Charles Stanley portfolio.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

The results for the year are set out on page 13. It is clearly good that the net movement in funds shows a gain of £194,416, although this is entirely attributable to the rise on investments already mentioned. It also includes a loss on exchange of £16,514. Therefore, the actual operating position showed a loss of £114,215, which is £60k better than 2020 despite the circumstances. It is important to highlight here that this also includes a significant write-down of stock value in Cyprus, a decision taken as part of the year end stocktaking. It had become clear that, in light of changing purchasing habits wrought by a combination of factors, a significant element of stock is ageing and unlikely to be sellable at even its cost price. Attempts will be made to realise as much value as possible by offering such items at reduced prices in 2022.

Head Office has continued to play its part in keeping costs down and supporting all the operations and governance. This is illustrated at Note 9, where it can be seen that support costs are low and the overall net costs are considered fully justified in support of CESSAC's charitable objectives. The Council, through the WAC, keeps a close check on the operating position.

Reserves policy

The reserves policy is reviewed annually and in 2021 operational reserves were maintained at 9 months' of turnover, £1,020,000, to cover the number of centres and dispersion of cash between different banks/currencies. Other reserves are maintained to fund repairs/improvements of the Clubs and/or make donations in furtherance of the charity's aims (see Note 24). However, since the trading income alone has been insufficient to fund centre operations for some years, the charity expects to continue to use income from investments to enable the charitable output to continue.

Investment policy. The Council members ensure that the capital held by CESSAC is invested prudently and conservatively over the long term for the ultimate benefit of meeting its objectives. Their policy is to increase both capital and income from the investments over the long term. The reserves are invested across a number of financial institutions; the greater part is in AFCGIF units, currently managed by BlackRock, with most of the rest in a Charles Stanley discretionary managed portfolio at medium low risk. The remainder is in a Virgin Money Charity Deposit Account.

Principal Risks and Uncertainties

The Council has taken a risk-based approach to internal controls, including directing members to undertake internal auditing. The most significant risks to the charity relate to investments, since little capital is tied up in any individual centre. The Council follows a policy of spreading these at medium to low risk as described in the Investment Policy, reviews their performance at every opportunity and has an Investment Panel to oversee the investment environment between meetings. Before the arrival of the Coronavirus pandemic, the Council members had assessed the major risks to which the charity is exposed, and were satisfied that systems are in place to mitigate exposure to them. Although (like with most organisations) a pandemic of such scale had not previously been considered a risk, no obvious measures in advance could have mitigated the immediate effects. The financial impact will depend on the duration of the effects until the disease is endemic.

Over the charity's 131 years since incorporation, it has usually been alterations in the Armed Forces that have both presented new opportunities and/or caused existing centres to close. It is for this reason that most current centres have not received significant capital and are developed with the assistance of the relevant establishment and funding sought from other sources. Therefore, the success or failure of individual centres is unlikely to present a significant risk. The UK Government completed a Defence & Security review in March 2021, which does not appear to have any obvious direct effects.

Withdrawal from any centre is considered if sustained losses there cannot be justified by the assessed charitable benefit in that location, but otherwise service is maintained as long as the overall performance of the charity is satisfactory. Loss of the Greenwich Hospital contract would deprive the charity of some income and the economies inherent in shared facilities. This is mitigated by demonstrating the efficiency and added value provided to the management of the sheltered housing. The risk policy is regularly reviewed and the register is maintained in a detailed matrix. A clear system is operated to ensure that every risk is reviewed either by Council or WAC at least annually.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

2022 & Plans for the future

It is intended to review CESSAC's strategy over the year. Events since 31 December 2021 and the date these accounts are approved are covered in Note 25, so are not repeated here. CESSAC operates in a number of countries and the effect of the pandemic has differed in each. Similarly, the public-health restrictions imposed by the respective Governments have not been the same. Accordingly, uncertainty about how Covid-19 will affect the rest of 2022 and thereafter differs by country also.

In UK, the vaccination programme and infection rate should enable everyone to move forward, unless another variant disrupts that. Meanwhile, efforts will continue to explore potential new centres at Thorney Island and RAF Cosford. The outlook in Cyprus appears similar, once the Omicron wave has passed.

Long term, Service personnel should be less affected by the economic consequences and so it is felt that CESSAC's facilities should resume their welfare role for beneficiaries in its isolated locations, once the restrictions have fully abated.

Going Concern

Rolling forecasts are maintained for both cash-flow and income & expenditure, both of which currently predict a better year ahead than 2021. The Council firmly believes the charity remains a going concern, since the likely rate of loss should be containable for significantly more than 12 months.

Structure, governance and management

CESSAC is a charity (No. 226684) and a company limited by guarantee and not having share capital, registered in England (No. 00034118). It does not trade for profit, is exempt from Corporation Tax and is VAT-registered. (No. 675 8276 83). Its Memorandum and Articles of Association govern the charitable company, including the appointment and reappointment of its members of Council.

CESSAC is governed by the Council, which met 5 times in 2021 (2 times via Microsoft Teams due to the pandemic) with 89% attendance. The WAC meets three times a year and reports its activities at the next Council meeting and seeks approval for any strategic decisions. The Council and WAC are assisted in their responsibilities by the Chief Executive Officer (CEO) who manages the operations and personnel.

None of the Council members has any beneficial interest in the company. All of the Council members are members of the company (except Mrs Rodgers, who is co-opted) and guarantee to contribute £1 in the event of a winding up. Trustees indemnity insurance up to £500K is provided as part of a portfolio of policies.

The Council members, who are also the directors for the purpose of company law, and who served during the year were:

Rear Admiral A R Rymer CEng (Chairman)

Colonel C E H Ackroyd TD RD DL (Vice
Chairman)

Mr A J Cobb FCiH

Commander A E Mizen RN

Mrs A C Rodgers FCA

Commander J F J Simpson RN

Commander S J Snowball RN

Mr I H Currie FCA

Mr D J Foster FCA

Mr S D Rice

(Appointed 2 February 2022)

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

Advertisements are made to attract potential members/trustees, whose applications are then considered by the Council. Those selected as members are eligible to sit on committees and vote at general meetings. Potential trustees are invited to an informal meeting with the Chairman. This is followed by a brief from the CEO and an invitation to attend the next Council meeting as an observer. A formal invitation to join the Council will follow if both parties agree, followed by induction conducted by the CEO. New trustees are co-opted until election is considered at the next AGM. Training is offered regularly and the Council reviews Charity Commission e-mails, Governance & Leadership/Charity Finance magazines and other material to keep up to date.

The Charity Governance Code. Performance against the Charity Code of Governance 2017 and the Cobseo aide-memoire have been assessed, and the updated version issued in late 2020 is being studied. The organisation met all criteria, save for one or two relating to Equality and Diversity, which history and recruitment opportunities render difficult for us to achieve, notwithstanding a stated Policy in this area, applied across the organisation. Subject to the usual ebb and flow of representation in a relatively small organisation, gender balance overall has been satisfactory. However, an underlying requirement for military experience, and the need to maintain a range of skills and qualifications against low turnover, together with some geographical restrictions, have limited the available field from which minority involvement in governance matters can be drawn. In order to maximise the opportunity for minority participation in future, recruitment criteria, advertising and procedures are kept under review.

Remuneration policy. All of the members are unpaid volunteers. The overall purpose of remuneration policy for the staff at all levels, together with their terms and conditions of service, is to attract and retain those with appropriate skills, experience and competencies who are committed to delivering the relevant charitable work and purposes. Although CESSAC does not engage in substantive levels of fundraising or voluntary work, the esteem and value derived from working in the charitable sector are noted, as recommended. With a principal aim of fairness and no overriding factors, save for affordability, the following will be taken into account when deciding remuneration:

- The scope of individual responsibilities; any fundamental change; and performance against short and long term expectations and objectives.
- Affordability (sustainability) of the total cost of remuneration awards when measured against the needs.
- The likely impact on the beneficiaries.
- Comparability in appropriate sectors, together with: national remuneration trends and minimum wage regulations; inflation; and applicable local/overseas factors.
- The remuneration ratio between Senior and other staff in the organisation.
- The combined effect of pay and other elements of wider remuneration packages, including any non-consolidated awards.

Relationships. CESSAC shares a common root with the Aldershot Church of England Services Trust, and three of the former's members are appointed as trustees for the latter. CEO is CESSAC's trustee for CVWW.

Asset cover for funds

The charity has no significant restricted funds and therefore no analysis of funds is given in the notes.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

Registered charitable objects

The objects for which the Charity is established are below in 'inverted commas', each followed by a summary of the benefits delivered to the respective beneficiaries:

- (i) 'To open, carry on, establish and maintain Church of England Soldiers', Sailors' & Airmen's Clubs or Centres in military stations and other places at home and abroad, and to assist local or other efforts to open, carry on, establish and maintain such clubs or centres'. The aim remains to provide homely facilities for serving personnel and/or their families. The benefit they derive from the centres is amply demonstrated by their use and the strength of support from the chain of command.
- (ii) 'To further the religious and charitable work of the Church of England amongst those serving in H.M. Forces'. This is achieved by working with Service Chaplains wherever possible, without impinging on the non-religious nature of the centres. It includes offering a grant to help Service-sponsored ordinands.
- (iii) 'To relieve persons who have served in H.M. Forces and the dependants of such persons as are in need of assistance including the provision and management of housing'. This aim is clear and currently largely, but not exclusively, delivered through the assistance provided to CESSA Housing Association & GHSH.
- (iv) 'To promote the efficiency of H.M. Forces by the provision of facilities and equipment for educational, recreation and leisure pursuits for those serving in H.M. Forces, whether at Church of England Soldiers', Sailors' & Airmen's Clubs or Centres or elsewhere and whether at home or abroad'. This is a recognised broad Object to enable a wide range of support to be provided for the benefit of serving personnel as needs arise. The level of the losses over recent years has meant that this aim is currently supported by a number of small grants to other organisations, listed for Cyprus at Note 10.

Auditor

In accordance with the charity's articles, a resolution proposing that Jones Avens Limited be reappointed as auditor of the charity will be put at a General Meeting.

Disclosure of information to auditor

Each of the Council members has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Council members' report was approved by the Board of Council Members.



Commander J F J Simpson RN

Council Member

Dated: 6 April 2022

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

The Council members, who are also the directors of Church of England Soldiers', Sailors' & Airmen's Clubs for the purpose of company law, are responsible for preparing the Council Members' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Council members to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Council members 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 have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

INDEPENDENT AUDITOR'S REPORT

TO THE COUNCIL MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

Opinion

We have audited the accounts of Church of England Soldiers', Sailors' & Airmen's Clubs (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and the provisions available for audits of small entities, in the circumstances set out in note to the accounts, 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 Council members' 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 charity'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 Council members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Council members are responsible for the other information. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCIL MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Council members' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Council members

As explained more fully in the statement of Council members' responsibilities, the Council members, who are also the directors of the charity for the purpose 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 Council members 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 Council members are responsible for assessing the charity'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 Council members 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 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Identification and assessment of irregularities including fraud

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

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the association, including The Companies Act 2006 and The Charities Act 2011;
- we obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework by making appropriate enquiries of management as well as considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- we made enquiries of those charged with governance and management concerning:
 - the risks of fraud;
 - instances of non-compliance with laws and regulations or knowledge of actual, suspected, or alleged fraud is documented during the period;
- we allocated an engagement team that we considered collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCIL MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

Audit response to the risk of irregularities including fraud

Based on the results of our risk assessment, our procedures included, but were not limited to:

- performing analytical procedures to identify any unusual or unexpected relationships.
- evaluating whether the selection and application of accounting policies by the entity that may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings.
- assessing whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias.
- agreeing financial statement disclosures to underlying supporting documentation.
- reading the minutes of meetings of those charged with governance.
- testing of journal entries to address the risk of fraud through management override.
- incorporating an element of unpredictability in the selection of the nature, timing, and extent of our audit procedures.
- corroborating the business rationale for transactions outside the normal course of business.

Conclusions regarding the risks of irregularities including fraud

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We considered our audit was capable of detecting irregularities due to:

- the effectiveness of the entity's internal controls;
- the nature, timing and extent of audit procedures performed; and
- the absence of contradictory evidence.

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

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCIL MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Claire Norwood BSc FCA ATII (Senior Statutory Auditor)
for and on behalf of Jones Avens Limited

6 April 2022
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Chartered Accountants
Statutory Auditor

Piper House
4 Dukes Court
Bognor Road
Chichester
West Sussex
PO19 8FX

Jones Avens Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income and endowments from:</u>			
Voluntary income	3	65,380	55,710
Charitable activities	5	410,106	558,331
Investments	4	101,509	99,527
Other income	6	93,473	92,448
Total income		670,468	806,016
<u>Expenditure on:</u>			
Raising funds	7	7,813	6,156
Charitable activities	8	776,076	973,861
Other	13	794	-
Total resources expended		784,683	980,017
Net operating deficit		(114,215)	(174,001)
Net gains/(losses) on investments	14	308,631	115,471
Net incoming/(outgoing) resources		194,416	(58,530)
Other recognised gains and losses			
Other gains or losses	16	(16,514)	11,716
Net movement in funds		177,902	(46,814)
Fund balances at 1 January		3,608,701	3,655,117
Fund balances at 31 December		3,786,603	3,608,303

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	17	59,375		82,553	
Investments	18	3,280,429		3,005,496	
		<u>3,339,804</u>		<u>3,088,049</u>	
Current assets					
Stocks	19	65,094		130,278	
Debtors	21	32,185		49,638	
Cash at bank and in hand		425,742		436,978	
		<u>523,021</u>		<u>616,894</u>	
Creditors: amounts falling due within one year	22	<u>(76,222)</u>		<u>(96,640)</u>	
Net current assets		446,799		520,254	
Total assets less current liabilities		<u>3,786,603</u>		<u>3,608,303</u>	
Income funds					
<u>Unrestricted funds</u>					
Designated funds	24	<u>3,786,603</u>		<u>3,608,303</u>	
		3,786,603		3,608,303	
		<u>3,786,603</u>		<u>3,608,303</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The Council members are responsible for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Council Members on 6 April 2022

Colonel C E H Ackroyd TD RD DL (Vice Chairman)
Trustee

Mr I H Currie FCA
Trustee

Company Registration No. 00034118

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	27		(143,753)		(271,134)
Investing activities					
Purchase of tangible fixed assets		(1,343)		(10,015)	
Proceeds on disposal of tangible fixed assets		3,611		247	
Repayment of investment loans and receivables		-		284,125	
Purchase of investments		(49,362)		(40,000)	
Proceeds on disposal of investments		83,060		77,864	
Investment income		101,509		99,527	
Net cash generated from investing activities			137,475		411,748
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(6,278)		140,614
Cash and cash equivalents at beginning of year			436,978		299,226
Effect of foreign exchange rates			(4,958)		(2,862)
Cash and cash equivalents at end of year			425,742		436,978

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Council members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Accounting policies

Charity information

Church of England Soldiers', Sailors' & Airmen's Clubs is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Shakespeare Terrace, 126 High Street, Portsmouth, Hampshire, PO1 2RH.

2.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

2.2 Going concern

At the time of approving the financial statements, the Council members have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Council members continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Council members in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Council members for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

2.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

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 from charitable trading activities principally represents retail sales and other income in CESSAC's Services Centre in Cyprus and at CESSAC Centres in the UK and elsewhere with other operating income arising from fees for managing sheltered lettings, owned by other charitable bodies, for ex-members of HM Forces and their spouses.

2.5 Resources expended

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:

- Expenditure on charitable activities undertaken to further the purposes of the charity and their associated support and governance costs.
- Costs of raising funds comprise the costs of the investment portfolio management.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 9.

2.6 Tangible fixed assets

Tangible fixed assets are measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% straight line basis
Leasehold properties	Cyprus improvements 10% straight line basis
Furniture, fittings & equipment	10 - 25% straight line basis
Vehicles	20% straight line basis

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies

(Continued)

2.7 Fixed asset investments

Listed investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in income and expenditure. Transaction costs are expensed to income and expenditure as incurred.

The fixed asset investment loan is initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investment is assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in income and expenditure.

2.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). No such indications were noted.

2.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.11 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in net income/(expenditure), except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in or in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies

(Continued)

2.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2.14 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

2.15 Taxation

CESSAC is a registered charity and is not subject to taxation on income. Any income tax recovered on investment income and covenanted subscriptions is included with the respective income.

2.16 Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover, including the Coronavirus Job Retention Scheme and other Coronavirus related support are recognised as income over the periods when the related costs are incurred.

3 Voluntary income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	376	198
Government grants	65,004	55,512
	<u>65,380</u>	<u>55,710</u>
	<u><u>65,380</u></u>	<u><u>55,710</u></u>
Government grants received		
Coronavirus Job Retention Scheme grant	40,868	51,532
Discretionary Covid-19 grants	24,136	3,980
	<u>65,004</u>	<u>55,512</u>
	<u><u>65,004</u></u>	<u><u>55,512</u></u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Income from listed investments	101,347	96,166
Interest receivable	162	3,361
	<u>101,509</u>	<u>99,527</u>

5 Charitable activities

	Supporting HM Forces in the UK and overseas	Centres in Cyprus supporting HM Forces overseas	Total 2021	Supporting HM Forces in the UK and overseas	Centres in Cyprus supporting HM Forces overseas	Total 2020
	2021	2021	£	2020	2020	£
	£	£	£	£	£	£
Sales within charitable activities	112,010	297,234	409,244	91,939	452,940	544,879
Other income	397	465	862	8,476	4,976	13,452
	<u>112,407</u>	<u>297,699</u>	<u>410,106</u>	<u>100,415</u>	<u>457,916</u>	<u>558,331</u>

Charitable trading income

Incoming resources derive from UK and overseas activities plus income from charitable trading activities deriving from CESSAC Centres in Cyprus supporting HM Forces overseas.

6 Other income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Net gain on disposal of tangible fixed assets	-	247
Management fees and office rent	93,473	92,201
	<u>93,473</u>	<u>92,448</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Raising funds

	2021	2020
	£	£
Investment management	7,813	6,156
	<u>7,813</u>	<u>6,156</u>

8 Charitable activities

	Supporting HM Forces in the UK and overseas 2021 £	Centres in Cyprus supporting HM Forces overseas 2021 £	Total 2021 £	Supporting HM Forces in the UK and overseas 2020 £	Centres in Cyprus supporting HM Forces overseas 2020 £	Total 2020 £
Staff costs	144,198	139,664	283,862	142,002	216,604	358,606
Depreciation and impairment	3,288	12,167	15,455	4,754	14,260	19,014
Cost of supplies	38,422	172,592	211,014	34,233	222,235	256,468
Operating costs	31,578	70,537	102,115	32,252	143,870	176,122
	<u>217,486</u>	<u>394,960</u>	<u>612,446</u>	<u>213,241</u>	<u>596,969</u>	<u>810,210</u>
Grant funding of activities (see note 10)	-	11	11	-	55	55
Share of support costs (see note 9)	86,350	47,461	133,811	86,233	48,332	134,565
Share of governance costs (see note 9)	12,520	17,288	29,808	12,193	16,838	29,031
	<u>316,356</u>	<u>459,720</u>	<u>776,076</u>	<u>311,667</u>	<u>662,194</u>	<u>973,861</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Support costs	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Staff costs	116,397	22,171	138,568	114,720	21,852	136,572
Depreciation	202	38	240	202	38	240
Head office costs	17,212	-	17,212	19,643	-	19,643
Audit fees	-	3,970	3,970	-	3,871	3,871
Legal and professional	-	3,063	3,063	-	2,863	2,863
Committee costs and expenses	-	566	566	-	407	407
	<u>133,811</u>	<u>29,808</u>	<u>163,619</u>	<u>134,565</u>	<u>29,031</u>	<u>163,596</u>
Analysed between						
Charitable activities	<u>133,811</u>	<u>29,808</u>	<u>163,619</u>	<u>134,565</u>	<u>29,031</u>	<u>163,596</u>

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the charitable activities undertaken in the year.

10 Grants payable

CESSAC made the following principal donations in the UK:

Grants to CESSA HA tenants for Christmas vouchers/social functions - 2021: £3,984 (2020: £3,680).

CESSAC Cyprus made the following donations:

Various smaller donations - 2021: €13 (2020: €55)

11 Council Members

None of the Council members (or any persons connected with them) received any remuneration during the year, but 5 of them were reimbursed a total of £289 travelling expenses (2020 - 5 were reimbursed £227).

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Full time (UK & FI)	4	3
Part time (UK & FI)	8	7
Full time (Cyprus)	3	5
Part time (Cyprus)	14	17
	<u>29</u>	<u>32</u>

Employment costs

	2021 £	2020 £
Wages and salaries	388,284	457,100
Social security costs	19,913	23,916
Other pension costs	14,233	14,162
	<u>422,430</u>	<u>495,178</u>

Chief Executive Remuneration

The Chief Executive, the only Senior Executive, is one of the members of staff jointly employed with a related party, Church of England Soldiers', Sailors' and Airmen's Housing Association Ltd (the 'association'). The Chief Executive is not a Director, but was an ordinary member of the association's defined contribution pension scheme (The Social Housing Pension Scheme administered by The Pension Trust) carrying no special terms. He has no other individual pension arrangement to which either entity makes a contribution. The main outputs of the two entities are: CESSAC's Charity Centres; and sheltered housing. The latter encompasses schemes belonging to the association and those managed by CESSAC for Greenwich Hospital. The division of the costs for all joint employees is regularly reassessed in proportion to the value of contribution to each entity. The 2019 re-assessment of the share of such costs led to CEO's being 50% each for 2020 to the association and to CESSAC. This resulted in the share of costs below (excluding national insurance contributions):

	2021	2020
CESSAC Emoluments	£37,113	£37,113
Association Emoluments	£37,113	£37,113
Total Emoluments	£74,226	£74,226
CESSAC pension contribution	£3,711	£3,711
Association pension contribution	£3,711	£3,711
Total pension contributions	£7,422	£7,422

There were no employees whose annual remuneration was £60,000 or more.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Other

	Unrestricted funds	Total
	2021	2020
	£	£
Net loss on disposal of tangible fixed assets	794	-
	<u>794</u>	<u>-</u>
	<u><u>794</u></u>	<u><u>-</u></u>

14 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Revaluation of investments	304,783	125,026
Gain/(loss) on sale of investments	3,848	(9,555)
	<u>308,631</u>	<u>115,471</u>
	<u><u>308,631</u></u>	<u><u>115,471</u></u>

15 Taxation

No charge to corporation tax arises on the results for the year.

16 Other gains or losses

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Foreign exchange (losses)/gains	(16,514)	11,716
	<u>(16,514)</u>	<u>11,716</u>
	<u><u>(16,514)</u></u>	<u><u>11,716</u></u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

17 Tangible fixed assets

	Land and buildings	Leasehold properties	Furniture, fittings & equipment	Vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2021	12,000	959,378	663,361	48,491	1,683,230
Additions	-	-	1,343	-	1,343
Disposals	-	(637,229)	(453,392)	(11,620)	(1,102,241)
Exchange adjustments	-	(69,077)	(42,865)	(3,203)	(115,145)
At 31 December 2021	12,000	253,072	168,447	33,668	467,187
Depreciation and impairment					
At 1 January 2021	4,320	951,957	597,909	46,491	1,600,677
Depreciation charged in the year	240	3,168	11,487	800	15,695
Eliminated in respect of disposals	-	(637,228)	(448,988)	(11,620)	(1,097,836)
Exchange adjustments	-	(68,543)	(38,978)	(3,203)	(110,724)
At 31 December 2021	4,560	249,354	121,430	32,468	407,812
Carrying amount					
At 31 December 2021	7,440	3,718	47,017	1,200	59,375
At 31 December 2020	7,680	7,421	65,452	2,000	82,553

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

18 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2021	3,005,496
Additions	49,362
Valuation changes	304,783
Disposals	(79,212)
	<hr/>
At 31 December 2021	3,280,429
	<hr/>
Carrying amount	
At 31 December 2021	3,280,429
	<hr/> <hr/>
At 31 December 2020	3,005,496
	<hr/> <hr/>

Fixed asset investments revalued

Listed investments include an investment portfolio managed by Charles Stanley and an Armed Forces Common Investment Fund managed by Black Rock and are included on the basis of market value, with an historical cost of £2,435,209 (2020 - £2,445,303).

19 Stocks

	2021 £	2020 £
Finished goods and goods for resale	65,094	130,278
	<hr/>	<hr/>

20 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	3,280,429	3,005,496
	<hr/>	<hr/>

21 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	600	1,504
Other debtors	2,625	9,200
Prepayments and accrued income	28,960	38,934
	<hr/>	<hr/>
	32,185	49,638
	<hr/>	<hr/>

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		11,357	9,016
Government grants	23	-	4,524
Trade creditors		19,858	14,078
Accruals and deferred income		45,007	69,022
		<u>76,222</u>	<u>96,640</u>

23 Government grants

The deferred grant in 2020 relates to a grant received in 2019 from the Royal Air Force Akrotiri of £7,899 for purchase of various fixtures and fittings of which £4,524 had yet to be spent as at 31 December 2020. During 2019, an amount of £3,629 was utilised for purchase of various fixtures and fittings. During 2021 the remaining grant was recognised in income along with the related expenditure.

24 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2020	Transfers	Balance at 1 January 2021	Movement in funds Incoming resources	Balance at 31 December 2021
	£	£	£	£	£
Operating cost reserve	1,250,000	(230,000)	1,020,000	-	1,020,000
Investment in CESSA Housing Association Limited	284,125	(284,125)	-	-	-
Capital fund for future opportunities	2,120,992	467,311	2,588,303	178,300	2,766,603
	<u>3,655,117</u>	<u>(46,814)</u>	<u>3,608,303</u>	<u>178,300</u>	<u>3,786,603</u>

Reserves have been established as follows:

- An operating cost reserve equal to nine months' charitable activity (£1,020,000).
- A capital fund for future opportunities and investment.

A further reserve had been established representing the investment in social housing by way of a long term loan to Church of England Soldiers' Sailors' and Airmen's Housing Association Limited which was repaid in full during 2020.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

25 Events after the reporting date

UK started 2022 with the Covid Omicron variant wave. Although there were no formal restrictions in place, some beneficiaries limited their social interactions and therefore use of the centres was depressed. There was an exciting development in March when an opportunity was identified to replace a fellow CVWW member having to withdraw from the cafe in the Aldershot Garrison Community Hub. Agreement in principle has been reached with all relevant parties that CESSAC should take this over in April.

Cyprus was in a similar position to UK re Covid, but more restrictions were and remain applied. The combination of the latter and staff isolating due to catching Covid resulted in Dhekelia being closed for some weeks and depressed use elsewhere. CBF Cyprus raised a question about his post's greater involvement with CESSAC in a formal capacity, which has since resulted in his acceptance of an offer to become a Vice President. The opening at the new location in Nicosia was unavoidably delayed in March, so it is currently hoped this can occur in July. At Akrotiri, the catering trailer is planned to be deployed to a distant part of the airfield for 6-9 months to provide meals for those working on a new project. This should generate additional turnover of about €4k a week.

26 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

27 Cash generated from operations	2021 £	2020 £
Surplus/(deficit) for the year	194,416	(58,530)
Adjustments for:		
Investment income recognised in statement of financial activities	(101,509)	(99,527)
Foreign exchange differences	(1,779)	13,824
Loss/(gain) on disposal of tangible fixed assets	794	(247)
(Gain)/loss on disposal of investments	(3,848)	9,555
Fair value gains and losses on investments	(304,783)	(125,026)
Depreciation and impairment of tangible fixed assets	15,695	19,254
Movements in working capital:		
Decrease in stocks	56,062	14,499
Decrease/(increase) in debtors	16,242	(11,390)
(Decrease) in creditors	(10,845)	(34,054)
(Decrease)/increase in deferred income	(4,198)	508
Cash absorbed by operations	(143,753)	(271,134)

28 Analysis of changes in net funds

The charity had no debt during the year.

29 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to assist with the preparation of the financial statements.

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CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

England & Wales - Charity number 226684

Accounts

Charity Registration No. 226684

Company Registration No. 00034118 (England and Wales)

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

LEGAL AND ADMINISTRATIVE INFORMATION

Council Members	Rear Admiral A R Rymer CEng (Chairman) Colonel C E H Ackroyd TD RD DL (Vice Chairman) Mr A J Cobb FCiH Commander A E Mizen RN Mrs A C Rodgers FCA Mr I H Currie FCA Mr D J Foster FCA Commander J F J Simpson RN Commander S J Snowball RN
Chief Executive Officer	Commander P C Keefe RN
Secretary	Commander P C Keefe RN
Charity number	226684
Company number	00034118
Principal address	1 Shakespeare Terrace 126 High Street Portsmouth Hampshire PO1 2RH
Registered office	1 Shakespeare Terrace 126 High Street Portsmouth Hampshire PO1 2RH
Auditor	Jones Avens Limited Piper House 4 Dukes Court Bognor Road Chichester West Sussex PO19 8FX
Bankers	Lloyds Bank Plc 38 London Road North End Portsmouth Hampshire PO2 0LR

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Blake Morgan LLP
Harbour Court
Compass Road
North Harbour
Portsmouth
Hampshire
PO6 4ST

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

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CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Council members present their report and financial statements for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles of Association, the Companies Act 2006 and "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) (effective 1 January 2019)".

Objectives and activities

The Church of England Soldiers', Sailors' & Airmen's Clubs (short title: CESSAC) originated in Aldershot in 1857 to provide an alcohol-free, non-proselytising home-from-home for soldiers. Its founding precept (circa 1881) included its intention: "to provide for the Nation's soldiers, places where they can resort and find rest and healthy recreation and where they can associate on terms of friendly intercourse". The success of the original facility resulted in many others being opened over the years (and many closing again to match changing demand). Apart from the fact that the charity's reach has extended to cover sailors and then airmen, that precept remains as true today. CESSAC's principal aims are still, therefore, the operation of homely, welcoming amenity centres at military bases in support of the Armed Forces and the promotion of the latter's efficiency. At 31 December 2020, there were 8 such centres, 4 in one group (all in Cyprus) and another group with 3 in UK and one in the Falklands.

Other aims were added in the 1970s; to relieve persons who have served in H.M. Forces and the dependants of such persons as are in need of assistance including the provision and management of housing. This enabled CESSAC to contribute to the establishment of CESSA Housing Association Limited (CESSA HA), a separate charitable organisation that owns and operates sheltered housing for elderly ex-Service people, their spouses, widows, widowers and immediate relatives. CESSAC has since provided grants to CESSA HA and other eligible charities in furtherance of this aim.

CESSAC still shares its Head Office and some staff with CESSA HA, although both organisations have their own Boards and operate independently. The latter is accountable to the Regulator of Social Housing and the Financial Conduct Authority. The relationship with CESSA HA resulted in CESSAC entering into an agreement with Greenwich Hospital, a Crown Royal Navy Charity, to manage its sheltered housing (GSHS) for former members of the Naval Service in the 1980s. Although reviewed regularly, this symbiotic relationship continues to this day, providing advantages for all parties.

CESSAC is a founder member (1939) of the Council for Voluntary Welfare Work (CVWW), which enables it to operate in Armed Forces establishments at home and abroad under a charter with the Ministry of Defence (MoD). The Charter between the MoD and CVWW recognises that the amenity centres provided by member organisations require a certain amount of primary trading in order to be sustainable. The income received is therefore one indicator of whether the centres are being used by the beneficiaries and hence meeting their welfare needs. However, there are many factors outside the charity's control, particularly changes in the number of Service personnel present in any location, and just because a centre operates at a loss does not mean it is not needed. For this reason, the current and anticipated use of each centre is regularly reviewed against the perceived benefit being provided in an attempt to best match the running costs across all of them with the likely income overall. Thus a loss-making centre perceived to be meeting a particular welfare need can be supported financially by surpluses generated elsewhere. This is detailed in a separate Impact Statement focussed on the charity's stakeholders, visible on its website. The current aim is that CESSAC's proportion of Head Office costs are funded by income on investments and from other sources. Major improvements/repairs are paid for from the growth in the capital value of the investments.

The Council members have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. The beneficiaries and the respective public benefits are detailed separately at the end of this report under each of the 4 registered objects. The Council members completed a strategic review in 2015 from which they confirmed that the objects (see page 7) did not need to be revised and established clear priorities for the subsequent detailed business plans.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Due to the nature of CESSAC and its objects, its activities have already been described above; mainly the operation of its amenity centres (for objects i & iii) and ongoing support to CESSA HA and GSHS (object ii), as well as other eligible charities. Significant grants are only made when funds permit (but smaller grants for objects ii, iii & iv are made annually – see Note 9). While CESSAC welcomes volunteers, particularly in places like the Falklands, the nature of its work generally results in reliance on paid staff.

In 2012 the charity loaned CESSA HA £520,000 at an interest rate of 2.5% (renewed in 2017 for a further 3 years) that enabled the latter to save money by redeeming its expensive mortgages (taken out when rates were over 10%). This arrangement also provided a better income for the charity than was available from its deposit accounts. Accordingly, the remaining balance of this beneficial loan was recorded as a Designated Fund (Note 24). Following the latest review of the terms of the loan which took place in April 2020, CESSA HA decided to repay the loan in full during the year ended 31 December 2020, which was noted to be beneficial for both entities.

Achievements and performance

General. CESSAC operates primarily in the “hospitality sector” which has taken a very significant hit in most countries as a result of restrictions imposed to manage the Coronavirus pandemic. Our head office team and area managers responded magnificently, quickly assessing the potential impact on demand and the effects of developing government restrictions in different territories on our ability to operate. They also conscientiously assessed the opportunities to protect our future output and reduce the impact on our staff by taking advantage of emerging, complex, government support mechanisms. CESSAC quickly established regular Board briefings to provide both assurance and effective decision-making in response to a fast changing, and potentially critical situation.

Inevitably, CESSAC's charitable output has been significantly reduced by a combination of the following factors: periods when centres were closed; only able to offer a take-away service; or operating with restricted capacity. Only the UK Government provided grants via the charity (mainly for those ‘furloughed’), whereas staff ‘suspended’ in Cyprus could claim a reduced benefit individually (when eligible), depending on their Social Insurance contribution record. These differences are therefore reflected in the accounts, bolstering the turnover in UK. The impact on operations in our centres is covered below.

The Board would like to record its appreciation of the highly professional and innovative response of our top team and managers. In unprecedented times the impact on our bottom line has been limited enabling CESSAC to sustain a position from which it can respond swiftly as demand returns to “normal”. The Board is also most grateful for the understanding and commitment of all staff, who in many respects have borne the brunt, personally, of national restrictions on their work and their income, with varying degrees of government support.

Perhaps unsurprisingly, there were no developments about the hoped-for cafe at RAF Cosford in 2020. More positively, staff started exploring whether CESSAC might open a centre on Thorney Island and have been approached by RAF Scampton. CESSAC will continue to pursue these potential opportunities and others that may arise as we emerge from the pandemic.

Other work focussing on our charitable output and future plans continued. The Welfare Amenity Committee (WAC) undertook its annual review of centre performance, confirming the continued relevance and charitable output of all of them. CEO continues to represent CESSAC at meetings of CVWW and Cobseo, the Confederation of Service Charities. These provide invaluable information, insight and opportunities to work with other charities. The WAC & Council undertook their biennial review of strategy this year, concluding that there was no need for radical changes and assessing that beneficiary use would return to more normal levels once permitted. The review encompassed the policies on reserves and investments. Council also agreed a document formally recording the charity's relationship with the charitable Housing Association it helped establish, as recommended in the Charity Commission's guidance on the relationship between charities and non-charities.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Centres in the Falklands and UK. These are straightforward coffee shops or cafes providing a homely and welcoming environment for Service personnel and their families, often adjacent to recreational facilities and/or the chaplaincy. Accordingly, each has a relatively modest turnover (all under £100K) with the Falklands and Blandford the highest. The Falklands has been much more insulated from the pandemic, but although the Oasis never closed there were several months when a take-away service was all that could be offered. This restriction inevitably reduced the use and turnover, but some costs were also saved. However, there have been a number of other challenges, starting with the authorities stating in January that the agreement for CESSAC to stay wouldn't be renewed when it ran out on 30 June. After considerable effort from Head Office (including a fortuitously-timed visit from the Director of Operations) a 6-month extension was granted and then a further 12-month one until the end of 2021. In UK, Blandford, Colchester & Woodbridge have spent long and different periods closed this year, Colchester suffering particularly after the area was placed in the then 'tier 2' restrictions. All closed again for the second lockdown on 5 November and, given the revised Government tier 2 restrictions that applied to all from 2 December, they did not re-open before the end of the year.

Centres in Cyprus. Unlike the other centres, all four of CESSAC's locations in Cyprus include shops selling a permitted variety of often UK-sourced goods difficult to otherwise obtain. The rise of internet shopping has continued to reduce turnover in shops, which resulted in an aspiration to reduce costs by bringing the shops into the cafes wherever possible. This had long been the case at Nicosia but was implemented successfully in Akrotiri last year as previously reported. In 2020, this was achieved at Dhekelia by recommissioning the long-hidden double-door between the two halves of the building, and unexpectedly completed at Episkopi for the reason that follows. The year started spectacularly badly with a big storm that blew-away the new beach kiosk at Dhekelia and damaged the café at Episkopi beyond economic repair. An insurance payment of €5.5k for the kiosk was only received in January 2021 and it is now planned to replace it. Fortunately, Episkopi station staff offered a new location where the café & shop could be combined. The latter took some time and effort, compounded by lockdowns, so it was perhaps fortunate the Team Leader's position happened to have been vacant since December 2019 (and remains so). Due to the pandemic, the Cypriot Government required all the centres to close from March and to re-open in June, and sometimes since only to operate a take-away service. The extended closure inevitably meant a significant amount of time-limited stock had to be written off. Fortunately, the Area Manager made most of this available to the beneficiaries & staff, generating a significant number of donations to the charity, including for many Easter eggs taken by stations for distribution as a welfare gesture to families.

In the second-half of the year, the ongoing and varying restrictions constrained the ability of beneficiaries to make use of the centres, so the number of trading hours were therefore reduced to cut costs. Most staff have been retained, albeit sadly on lower pay, but it has been necessary at Dhekelia to adopt a 5-day week for the winter (it was normally 7) so 5 staff had to leave in November. Towards the end of the year, the Team Leader at Dhekelia also departed, further increasing the load on the Area Manager. In a potentially positive development at Nicosia, CESSAC continues to explore a potential change of Centre location, but the pandemic has stalled progress.

All four centres remain well supported by the Command chain and valued by the thousands of UK Service personnel and their families, but understandably generated much less income (and expenditure) due to the pandemic. Similarly, there was much less call for donations to support the community, which were a fraction of normal (Note 9). The pandemic prevented a fair being organised this year.

Ex-Service personnel & their families. CESSAC has continued to enable CESSA HA to make savings through sharing a Head Office and staff and managing 91 sheltered flats at three sites on behalf of Greenwich Hospital. It normally funds an annual Christmas meal for the tenants of all CESSA HA schemes, but these could not be held due to the Covid-19 restrictions. Instead, it funded vouchers to the same value at a cost of £3,680 (see Note 9).

Fundraising. CESSAC does not undertake fundraising from the public itself and its Collection Boxes were introduced into locations to underline the point that it is a charity. Unsurprisingly, they have not generated much this year.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Investment performance. The investment elements have performed well from a historical perspective as well as generating invaluable income – this year £99,527, mainly from Armed Forces Charities Growth & Interest Fund (AFCGIF) distribution units. The fall in income has been mainly caused by the reduction in dividend payments, but this should be temporary. Despite the initial fall early in the pandemic, CESSAC's investments performed well increasing by £115,471.

Financial review

The results for the year are set out on page 13. It is clearly sad that the net movement in funds shows a loss of £46,814, but is unsurprising given the constrained trading due to the restrictions, and thankfully it is offset by the rise on investments already mentioned. It also includes a gain on exchange of £11,716. Therefore, the actual operating position showed a loss of £174,001, which is only £32k worse than 2019.

Head Office has continued to play its part in keeping costs down and supporting all the operations and governance. This is illustrated at Note 10, where it can be seen that support costs are low and the overall net costs are considered fully justified in support of CESSAC's charitable objectives. The Council, through the WAC, keeps a close check on the operating position.

Reserves policy

The reserves policy is reviewed annually and in 2020 operational reserves were maintained at 9 months' of turnover, £1,020,000, to cover the number of centres and dispersion of cash between different banks/currencies. Other reserves are maintained to fund repairs/improvements of the Clubs and/or make donations in furtherance of the charity's aims (see Note 24). However, since the trading income alone has been insufficient to fund centre operations for some years, the charity expects to continue to use income from investments to enable the charitable output to continue.

Investment policy. The Council members ensure that the capital held by CESSAC is invested prudently and conservatively over the long term for the ultimate benefit of meeting its objectives. Their policy is to increase both capital and income from the investments over the long term. The reserves are invested across a number of financial institutions; the greater part is in AFCGIF units, currently managed by BlackRock, with most of the rest in a Charles Stanley discretionary managed portfolio at medium low risk. The remainder is in a Virgin Money Charity Deposit Account. Following the review of strategy, in discussion with Charles Stanley, it was agreed that the target for annual payments, from the total-return approach adopted, should be increased from £35k to £45k. This should still enable the portfolio to maintain value against inflation while replacing the interest payments due previously on the now-repaid mixed-purpose loan.

Principal Risks and Uncertainties

The Council has taken a risk-based approach to internal controls, including directing members to undertake internal auditing. The most significant risks to the charity relate to investments, since little capital is tied up in any individual centre. The Council follows a policy of spreading these at medium to low risk as described in the Investment Policy, reviews their performance at every opportunity and has an Investment Panel to oversee the investment environment between meetings. Before the arrival of the Coronavirus pandemic, the Council members had assessed the major risks to which the charity is exposed, and were satisfied that systems are in place to mitigate exposure to them. Although (like with most organisations) a pandemic of such scale had not previously been considered a risk, no obvious measures in advance could have mitigated the immediate effects. The charity will resume serving its beneficiaries once the restrictions on both it and them have been lifted. The financial impact will depend on the duration of the enforced closures.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Over the charity's 130 years since incorporation, it has usually been alterations in the Armed Forces that have both presented new opportunities and/or caused existing centres to close. It is for this reason that most current centres have not received significant capital and are developed with the assistance of the relevant establishment and funding sought from other sources. Therefore, the success or failure of individual centres is unlikely to present a significant risk. The UK Government completed a Defence & Security review in March 2021, which does not appear to have any obvious direct effects.

Withdrawal from any centre is considered if sustained losses there cannot be justified by the assessed charitable benefit in that location, but otherwise service is maintained as long as the overall performance of the charity is satisfactory. Loss of the Greenwich Hospital contract would deprive the charity of some income and the economies inherent in shared facilities. This is mitigated by demonstrating the efficiency and added value provided to the management of the sheltered housing. The risk policy is regularly reviewed and the register is maintained in a detailed matrix. A clear system is operated to ensure that every risk is reviewed either by Council or WAC at least annually.

2021 & Plans for the future

Events since 31 December 2020 and the date these accounts are approved are covered in Note 25, so are not repeated here. CESSAC operates in a number of countries and the effect of the pandemic has differed in each. Similarly, the public-health restrictions imposed by the respective Governments have not been the same. Accordingly, uncertainty about how Covid-19 will affect the rest of 2021 and thereafter differs by country also.

In UK, the long lockdown appears to have been sufficiently well-observed to reduce transmission, plus the extensive vaccination programme and the take-up rate should enable UK to follow the published roadmap. Therefore, after a period of partial opening and then a normal summer hiatus, UK centres might return to normal trading in September, when the financial support is due to end. Meanwhile, efforts will continue to explore potential new centres at Thorney Island and RAFs Cosford and Scampton.

The situation in Cyprus is much less positive, with increasing rates of infection, lower compliance with lockdown, less vaccination and with no Government financial support for CESSAC. The longer any restrictions remain in place in Cyprus, the greater the losses that will be generated. Some improvement work is intended in Cyprus if trading conditions/cash flow permits, including a new beach kiosk at Dhekelia.

Long term, Service personnel should be less affected by the economic consequences and so it is felt that CESSAC's facilities should resume their welfare role for beneficiaries in its isolated locations, once the restrictions have abated. This was illustrated in Cyprus last autumn where the cafes were full (allowing for social distancing) as soon as restrictions were temporarily lifted.

Going Concern

The only element of funding that was restricted is from 2019, which is the balance of some money contributed by the station at Akrotiri towards some work there. Rolling forecasts are maintained for both cash-flow and income & expenditure, both of which currently predict a better year ahead than 2020. The Council firmly believes the charity remains a going concern, since the likely rate of loss should be containable for significantly more than 12 months and centres should be ready to start operating again soon after restrictions are lifted.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management

CESSAC is a charity (No. 226684) and a company limited by guarantee and not having share capital, registered in England (No. 00034118). It does not trade for profit, is exempt from Corporation Tax and is VAT-registered. (No. 675 8276 83). Its Memorandum and Articles of Association govern the charitable company, including the appointment and reappointment of its members of Council.

CESSAC is governed by the Council, which met 5 times in 2020 (4 times via Microsoft Teams due to the pandemic) with 94% attendance. The WAC meets three times a year and reports its activities at the next Council meeting and seeks approval for any strategic decisions. The Council and WAC are assisted in their responsibilities by the Chief Executive Officer (CEO) who manages the operations and personnel.

None of the Council members has any beneficial interest in the company. All of the Council members are members of the company (except Mrs Rodgers, who is co-opted) and guarantee to contribute £1 in the event of a winding up. Trustees indemnity insurance up to £500K is provided as part of a portfolio of policies.

The Council members, who are also the directors for the purpose of company law, and who served during the year were:

Rear Admiral A R Rymer CEng (Chairman)
Colonel C E H Ackroyd TD RD DL (Vice
Chairman)
Mr A J Cobb FCiH
Air Commodore D J Hamilton-Rump RAF (Resigned 24 June 2020)
Commander A E Mizen RN
Mrs A C Rodgers FCA
Mr I H Currie FCA
Mr D J Foster FCA
Commander J F J Simpson RN
Commander S J Snowball RN

Advertisements are made to attract potential members/trustees, whose applications are then considered by the Council. Those selected as members are eligible to sit on committees and vote at general meetings. Potential trustees are invited to an informal meeting with the Chairman. This is followed by a brief from the CEO and an invitation to attend the next Council meeting as an observer. A formal invitation to join the Council will follow if both parties agree, followed by induction conducted by the CEO. New trustees are co-opted until election is considered at the next AGM. Training is offered regularly and the Council reviews Charity Commission e-mails, Governance & Leadership/Charity Finance magazines and other material to keep up to date.

The Charity Governance Code. Performance against the Charity Code of Governance 2017 and the Cobseo aide-memoire have been assessed, and the updated version issued in late 2020 is being studied. The organisation met all criteria, save for one or two relating to Equality and Diversity, which history and recruitment opportunities render difficult for us to achieve, notwithstanding a stated Policy in this area, applied across the organisation. Subject to the usual ebb and flow of representation in a relatively small organisation, gender balance overall has been satisfactory. However, an underlying requirement for military experience, and the need to maintain a range of skills and qualifications against low turnover, together with some geographical restrictions, have limited the available field from which minority involvement in governance matters can be drawn. In order to maximise the opportunity for minority participation in future, recruitment criteria, advertising and procedures will be reviewed.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Remuneration policy. All of the members are unpaid volunteers. The overall purpose of remuneration policy for the staff at all levels, together with their terms and conditions of service, is to attract and retain those with appropriate skills, experience and competencies who are committed to delivering the relevant charitable work and purposes. Although CESSAC does not engage in substantive levels of fundraising or voluntary work, the esteem and value derived from working in the charitable sector are noted, as recommended. With a principal aim of fairness and no overriding factors, save for affordability, the following will be taken into account when deciding remuneration:

- The scope of individual responsibilities; any fundamental change; and performance against short and long term expectations and objectives.
- Affordability (sustainability) of the total cost of remuneration awards when measured against the needs.
- The likely impact on the beneficiaries.
- Comparability in appropriate sectors, together with: national remuneration trends and minimum wage regulations; inflation; and applicable local/overseas factors.
- The remuneration ratio between Senior and other staff in the organisation.
- The combined effect of pay and other elements of wider remuneration packages, including any non-consolidated awards.

Relationships. CESSAC shares a common root with the Aldershot Church of England Services Trust, and three of the former's members are appointed as trustees for the latter. CEO is CESSAC's trustee for CVWW.

Asset cover for funds

The charity has no significant restricted funds and therefore no analysis of funds is given in the notes.

Registered charitable objects

The objects for which the Charity is established are below in 'inverted commas', each followed by a summary of the benefits delivered to the respective beneficiaries:

- (i) 'To open, carry on, establish and maintain Church of England Soldiers', Sailors' & Airmen's Clubs or Centres in military stations and other places at home and abroad, and to assist local or other efforts to open, carry on, establish and maintain such clubs or centres'. The aim remains to provide homely facilities for serving personnel and/or their families. The benefit they derive from the centres is amply demonstrated by their use and the strength of support from the chain of command.
- (ii) 'To further the religious and charitable work of the Church of England amongst those serving in H.M. Forces'. This is achieved by working with Service Chaplains wherever possible, without impinging on the non-religious nature of the centres. It includes offering a grant to help Service-sponsored ordinands (Note 9).
- (iii) 'To relieve persons who have served in H.M. Forces and the dependants of such persons as are in need of assistance including the provision and management of housing'. This aim is clear and currently largely, but not exclusively, delivered through the assistance provided to CESSA Housing Association & GHSH.
- (iv) 'To promote the efficiency of H.M. Forces by the provision of facilities and equipment for educational, recreation and leisure pursuits for those serving in H.M. Forces, whether at Church of England Soldiers', Sailors' & Airmen's Clubs or Centres or elsewhere and whether at home or abroad'. This is a recognised broad Object to enable a wide range of support to be provided for the benefit of serving personnel as needs arise. The level of the losses over recent years has meant that this aim is currently supported by a number of small grants to other organisations, listed for Cyprus at Note 9.

Auditor

In accordance with the charity's articles, a resolution proposing that Jones Avens Limited be reappointed as auditor of the charity will be put at a General Meeting.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 DECEMBER 2020*

Disclosure of information to auditor

Each of the Council members has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Council members' report was approved by the Board of Council Members.

.....
Rear Admiral A R Rymer CEng (Chairman)
Council Member
Dated:

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The Council members, who are also the directors of Church of England Soldiers', Sailors' & Airmen's Clubs for the purpose of company law, are responsible for preparing the Council Members' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Council members to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Council members 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 have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

INDEPENDENT AUDITOR'S REPORT

TO THE COUNCIL MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

Opinion

We have audited the accounts of Church of England Soldiers', Sailors' & Airmen's Clubs (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and the provisions available for audits of small entities, in the circumstances set out in note 22 to the accounts, 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 Council members' 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 charity'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 Council members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Council members are responsible for the other information. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCIL MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Council members' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Council members

As explained more fully in the statement of Council members' responsibilities, the Council members, who are also the directors of the charity for the purpose 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 Council members 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 Council members are responsible for assessing the charity'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 Council members 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 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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, is detailed below.

Identification and assessment of irregularities including fraud

As part of our approach to identifying and assessing the risks of material misstatement in respect of irregularities we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including The Companies Act 2006 and The Charities Act 2011.

We also made appropriate enquiries of management as well as considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCIL MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

Audit response to risks of irregularities including fraud

In addressing the identified risk, our procedures included, but were not limited to:

- performing analytical procedures to identify any unusual or unexpected relationships;
- assessing whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias;
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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

Claire Norwood BSc FCA ATII (Senior Statutory Auditor)
for and on behalf of Jones Avens Limited

.....

Chartered Accountants
Statutory Auditor

Piper House
4 Dukes Court
Bognor Road
Chichester
West Sussex
PO19 8FX

Jones Avens Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 £
<u>Income and endowments from:</u>			
Voluntary income	3	55,710	5,685
Charitable activities	4	558,331	1,188,390
Investments	5	99,527	110,894
Other income	6	92,448	88,074
Total income		806,016	1,393,043
<u>Expenditure on:</u>			
Raising funds	7	6,156	4,597
Charitable activities	8	973,861	1,530,428
Total resources expended		980,017	1,535,025
Net operating deficit		(174,001)	(141,982)
Net gains/(losses) on investments	13	115,471	343,470
Net (outgoing)/incoming resources		(58,530)	201,488
Other recognised gains and losses			
Other gains or losses	15	11,716	(13,909)
Net movement in funds		(46,814)	187,579
Fund balances at 1 January		3,655,117	3,467,538
Fund balances at 31 December		3,608,303	3,655,117

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	16		82,553		88,176
Investments	17		3,005,496		3,212,014
			<u>3,088,049</u>		<u>3,300,190</u>
Current assets					
Stocks	19	130,278		153,475	
Debtors	20	49,638		38,724	
Cash at bank and in hand		436,978		299,226	
		<u>616,894</u>		<u>491,425</u>	
Creditors: amounts falling due within one year	21	(96,640)		(136,498)	
Net current assets			<u>520,254</u>		<u>354,927</u>
Total assets less current liabilities			<u>3,608,303</u>		<u>3,655,117</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	24	3,608,303		3,655,117	
			<u>3,608,303</u>		<u>3,655,117</u>
			<u>3,608,303</u>		<u>3,655,117</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020, although an audit has been carried out under section 144 of the Charities Act 2011.

The Council members are responsible for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Council Members on

.....
Rear Admiral A R Rymer CEng (Chairman)
Trustee

.....
Commander J F J Simpson RN
Trustee

Company Registration No. 00034118

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash absorbed by operations	27		(271,134)		(157,459)
Investing activities					
Purchase of tangible fixed assets		(10,015)		(32,084)	
Proceeds on disposal of tangible fixed assets		247		500	
Repayment of investment loans and receivables		284,125		32,094	
Purchase of investments		(40,000)		(103,579)	
Proceeds on disposal of investments		77,864		113,408	
Interest received		99,527		110,894	
Net cash generated from investing activities			411,748		121,233
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			140,614		(36,226)
Cash and cash equivalents at beginning of year			299,226		338,586
Effect of foreign exchange rates			(2,862)		(3,134)
Cash and cash equivalents at end of year			436,978		299,226

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Church of England Soldiers', Sailors' & Airmen's Clubs is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Shakespeare Terrace, 126 High Street, Portsmouth, Hampshire, PO1 2RH.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Council members have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Council members continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Council members in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Council members for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

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.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Income from charitable trading activities principally represents retail sales and other income in CESSAC's Services Centre in Cyprus and at CESSAC Centres in the UK and elsewhere with other operating income arising from fees for managing sheltered lettings, owned by other charitable bodies, for ex-members of HM Forces and their spouses.

1.5 Resources expended

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:

- Expenditure on charitable activities undertaken to further the purposes of the charity and their associated support and governance costs.
- Costs of raising funds comprise the costs of the investment portfolio management.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 10.

1.6 Tangible fixed assets

Tangible fixed assets are measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% straight line basis
Leasehold properties	Cyprus improvements 10% straight line basis
Furniture, fittings & equipment	10 - 25% straight line basis
Vehicles	20% straight line basis

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Listed investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in income and expenditure. Transaction costs are expensed to income and expenditure as incurred.

The fixed asset investment loan is initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investment is assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in income and expenditure.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). No such indications were noted.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in net income/(expenditure), except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in or in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.15 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.16 Taxation

CESSAC is a registered charity and is not subject to taxation on income. Any income tax recovered on investment income and covenanted subscriptions is included with the respective income.

1.17 Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover, including the Coronavirus Job Retention Scheme and other Coronavirus related support are recognised as income over the periods when the related costs are incurred.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Council members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Voluntary income

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Donations and gifts	198	5,685
Government grants	55,512	-
	<u>55,710</u>	<u>5,685</u>
Government grants received		
Coronavirus Job Retention Scheme grant	51,532	-
Discretionary Covid-19 grants	3,980	-
	<u>55,512</u>	<u>-</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Charitable activities

	Supporting HM Forces in the UK and overseas	Centres in Cyprus supporting HM Forces overseas	Total 2020	Supporting HM Forces in the UK and overseas	Centres in Cyprus supporting HM Forces overseas	Total 2019
	2020	2020		2019	2019	
	£	£	£	£	£	£
Sales within charitable activities	91,939	452,940	544,879	236,165	952,225	1,188,390
Other income	8,476	4,976	13,452	-	-	-
	<u>100,415</u>	<u>457,916</u>	<u>558,331</u>	<u>236,165</u>	<u>952,225</u>	<u>1,188,390</u>

Charitable trading income

Incoming resources derive from UK and overseas activities plus income from charitable trading activities deriving from CESSAC Centres in Cyprus supporting HM Forces overseas.

5 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Income from listed investments	96,166	102,444
Interest receivable	3,361	8,450
	<u>99,527</u>	<u>110,894</u>

6 Other income

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Net gain on disposal of tangible fixed assets	247	(1,124)
Management fees and office rent	92,201	89,198
	<u>92,448</u>	<u>88,074</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Raising funds

	2020	2019
	£	£
Investment management	6,156	4,597
	<u>6,156</u>	<u>4,597</u>

8 Charitable activities

	Supporting HM Forces in the UK and overseas 2020 £	Centres in Cyprus supporting HM Forces overseas 2020 £	Total 2020 £	Supporting HM Forces in the UK and overseas 2019 £	Centres in Cyprus supporting HM Forces overseas 2019 £	Total 2019 £
Staff costs	142,002	216,604	358,606	198,952	350,101	549,053
Depreciation and impairment	4,754	14,260	19,014	4,753	12,576	17,329
Cost of supplies	34,233	222,235	256,468	81,517	475,484	557,001
Operating costs	32,252	143,870	176,122	38,540	180,747	219,287
	<u>213,241</u>	<u>596,969</u>	<u>810,210</u>	<u>323,762</u>	<u>1,018,908</u>	<u>1,342,670</u>
Grant funding of activities (see note 9)	-	55	55	-	3,582	3,582
Share of support costs (see note 10)	86,233	48,332	134,565	95,076	56,936	152,012
Share of governance costs (see note 10)	12,193	16,838	29,031	13,509	18,655	32,164
	<u>311,667</u>	<u>662,194</u>	<u>973,861</u>	<u>432,347</u>	<u>1,098,081</u>	<u>1,530,428</u>

9 Grants payable

CESSAC made the following principal donations in the UK:

Grants to CESSA HA tenants for Christmas vouchers/social functions - 2020: £3,680 (2019: £3,444).

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Grants payable

(Continued)

CESSAC Cyprus donations and sponsorship 2020:

Various smaller donations	€ 55
	<u>€ 55</u>

CESSAC Cyprus donations and sponsorship 2019:

RAF Akrotiri Oasis Centre internet	€ 286
Episkopi Station boxing ring	€ 500
Episkopi Stn swimming lessons	€ 1,000
Dhekelia Station	€ 2,000
Episkopi Station Comedy Night	€ 300
Various smaller donations	€ 109
	<u>€ 4,195</u>

10 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Staff costs	114,720	21,852	136,572	120,583	22,967	143,550
Depreciation	202	38	240	202	38	240
Head office costs	19,643	-	19,643	30,133	-	30,133
Travel & related costs	-	-	-	1,094	-	1,094
Audit fees	-	3,871	3,871	-	4,994	4,994
Legal and professional	-	2,863	2,863	-	3,344	3,344
Committee costs and expenses	-	407	407	-	821	821
	<u>134,565</u>	<u>29,031</u>	<u>163,596</u>	<u>152,012</u>	<u>32,164</u>	<u>184,176</u>
Analysed between						
Charitable activities	<u>134,565</u>	<u>29,031</u>	<u>163,596</u>	<u>152,012</u>	<u>32,164</u>	<u>184,176</u>

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the charitable activities undertaken in the year.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Council Members

None of the Council members (or any persons connected with them) received any remuneration during the year, but 5 of them were reimbursed a total of £227 travelling expenses (2019 - 6 were reimbursed £603).

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Full time (UK, FI & BFG)	3	4
Part time (UK, FI & BFG)	7	8
Full time (Cyprus)	5	5
Part time (Cyprus)	17	23
	32	40
	32	40

Employment costs

	2020 £	2019 £
Wages and salaries	457,100	649,595
Social security costs	23,916	31,638
Other pension costs	14,162	11,370
	495,178	692,603
	495,178	692,603

Chief Executive Remuneration

The Chief Executive, the only Senior Executive, is one of the members of staff jointly employed with a related party, Church of England Soldiers', Sailors' and Airmen's Housing Association Ltd (the 'association'). The Chief Executive is not a Director, but was an ordinary member of the association's defined contribution pension scheme (The Social Housing Pension Scheme administered by The Pension Trust) carrying no special terms. He has no other individual pension arrangement to which either entity makes a contribution. The main outputs of the two entities are: CESSAC's Charity Centres; and sheltered housing. The latter encompasses schemes belonging to the association and those managed by CESSAC for Greenwich Hospital. The division of the costs for all joint employees is regularly reassessed in proportion to the value of contribution to each entity. The 2019 re-assessment of the share of such costs led to CEO's being 50% each for 2020 to the association and to CESSAC. (Until 2019 CEO's shares had been 34% & 66% respectively). This resulted in the share of costs below (excluding national insurance contributions):

	2020	2019
CESSAC Emoluments	£37,113	£48,701
Association Emoluments	£37,113	£25,252
Total Emoluments	£74,226	£73,953
CESSAC pension contribution	£3,711	£4,870
Association pension contribution	£3,711	£2,525
Total pension contributions	£7,422	£7,395

There were no employees whose annual remuneration was £60,000 or more.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Revaluation of investments	125,026	331,240
Gain/(loss) on sale of investments	(9,555)	12,230
	<u>115,471</u>	<u>343,470</u>

14 Taxation

No charge to corporation tax arises on the results for the year.

15 Other gains or losses

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Foreign exchange (losses)/gains	<u>11,716</u>	<u>(13,909)</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Tangible fixed assets

	Land and buildings	Leasehold properties	Furniture, fittings & equipment	Vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2020	12,000	905,491	620,467	54,287	1,592,245
Additions	-	-	10,015	-	10,015
Disposals	-	-	-	(8,295)	(8,295)
Exchange adjustments	-	53,887	32,879	2,499	89,265
At 31 December 2020	12,000	959,378	663,361	48,491	1,683,230
Depreciation and impairment					
At 1 January 2020	3,840	894,438	554,264	51,287	1,503,829
Depreciation charged in the year	480	4,288	13,726	1,000	19,494
Eliminated in respect of disposals	-	-	-	(8,295)	(8,295)
Exchange adjustments	-	53,231	29,919	2,499	85,649
At 31 December 2020	4,320	951,957	597,909	46,491	1,600,677
Carrying amount					
At 31 December 2020	7,680	7,421	65,452	2,000	82,553
At 31 December 2019	7,920	61,749	15,507	3,000	88,176

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Fixed asset investments

	Listed investments £	Other investments	Total £
Cost or valuation			
At 1 January 2020	2,927,889	284,125	3,212,014
Additions	40,000	-	40,000
Valuation changes	125,026	-	125,026
Disposals	(87,419)	(284,125)	(371,544)
	<u>3,005,496</u>	<u>-</u>	<u>3,005,496</u>
Carrying amount			
At 31 December 2020	<u>3,005,496</u>	-	<u>3,005,496</u>
At 31 December 2019	<u>2,927,889</u>	<u>284,125</u>	<u>3,212,014</u>

	2020 £	2019 £
Other investments comprise:		
Loans	-	<u>284,125</u>

Fixed asset investments revalued

Listed investments include an investment portfolio managed by Charles Stanley and an Armed Forces Common Investment Fund managed by Black Rock and are included on the basis of market value, with an historical cost of £2,445,303 (2019 - £2,464,604).

18 Financial instruments	2020 £	2019 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	<u>3,005,496</u>	<u>2,927,889</u>
19 Stocks		
	2020 £	2019 £
Finished goods and goods for resale	<u>130,278</u>	<u>153,475</u>

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Debtors

	2020	2019
Amounts falling due within one year:	£	£
Trade debtors	1,504	3,366
Other debtors	9,200	85
Prepayments and accrued income	38,934	35,273
	<u>49,638</u>	<u>38,724</u>

21 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	£
Other taxation and social security		9,016	19,487
Government grants	23	4,524	4,270
Trade creditors		14,078	61,884
Accruals and deferred income		69,022	50,857
		<u>96,640</u>	<u>136,498</u>

22 Auditor's ethical standards

In common with many entities of our size and nature we use our auditors to assist with the preparation of the statutory financial statements.

23 Government grants

The deferred grant relates to a grant received in 2019 from the Royal Air Force Akrotiri of £7,899 for purchase of various fixtures and fittings of which £4,524 had yet to be spent as at 31 December 2020. During 2019, an amount of £3,629 was utilised for purchase of various fixtures and fittings.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

24 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2019	Transfers	Balance at 1 January 2020	Transfers	Balance at 31 December 2020
	£	£	£	£	£
Operating cost reserve	1,250,000	-	1,250,000	(230,000)	1,020,000
Investment in CESSA Housing Association Limited	316,219	(32,094)	284,125	(284,125)	-
Capital fund for future opportunities	1,901,319	219,673	2,120,992	467,311	2,588,303
	<u>3,467,538</u>	<u>187,579</u>	<u>3,655,117</u>	<u>(46,814)</u>	<u>3,608,303</u>

Reserves have been established as follows:

- An operating cost reserve equal to nine months' charitable activity (£1,020,000).
- A capital fund for future opportunities and investment.

A further reserve had been established representing the investment in social housing by way of a long term loan to Church of England Soldiers' Sailors' and Airmen's Housing Association Limited which was repaid in full during the year.

25 Events after the reporting date

UK entered a third lockdown at the beginning of January 2021 so the cafes there were closed until early June, re-opening initially on a 3-day-a-week basis. The Government's decision to extend the furlough scheme until September was therefore most welcome, as were the number of discretionary grants for individual centres received via local Councils.

Cyprus entered a second lockdown on 10 January 2021, when Dhekelia & Nicosia were shut completely due to local circumstances. Akrotiri & Episkopi were at least able to operate a take-away service within the British camps, providing a valued charitable output in this difficult time for the Service personnel and their families there. Whereas the Government had provided financial assistance to individuals directly during the first lockdown, this changed for the second to employers needing to apply more like the UK system. After receiving acknowledgement for the details submitted every month, at the end of April CESSAC was suddenly notified it was not eligible for financial support, just as restrictions were tightened to address increasing infection rates and hospitalisations. An explanation has been requested so that a challenge could be considered. A partial relaxation of measures from 10 May enables cafes to serve customers outside, which will be offered at Akrotiri and Episkopi. Dhekelia will re-open similarly, but only Friday to Sunday initially. Service indoors with restrictions is predicted from 1 June.

The Falklands had a brief 3-week lockdown in February 2021, finishing just in time for a new Assistant Manager to arrive, which relieved the pressure on the Manager.

In other news, although the UK Government agreed a deal with the EU on 24th December 2020, it is not thought this has any significant consequences for the charity's operations. This is even true in Cyprus, because CESSAC's role is covered in the Treaty of Establishment, that precedes UK's & Cyprus' membership of the EU. However, some food items originating in or passing through UK to CESSAC's local suppliers have experienced availability problems due to delays since 1 January.

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

26 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

27 Cash generated from operations	2020	2019
	£	£
(Deficit)/surplus for the year	(58,530)	201,488
Adjustments for:		
Investment income recognised in statement of financial activities	(99,527)	(110,894)
Foreign exchange differences	13,824	(1,968)
(Gain)/loss on disposal of tangible fixed assets	(247)	1,124
Loss/(gain) on disposal of investments	9,555	(12,230)
Fair value gains and losses on investments	(125,026)	(331,240)
Depreciation and impairment of tangible fixed assets	19,254	17,569
Movements in working capital:		
Decrease in stocks	14,499	36,825
(Increase)/decrease in debtors	(11,390)	1,825
(Decrease)/increase in creditors	(34,054)	35,772
Increase in deferred income	508	4,270
Cash absorbed by operations	(271,134)	(157,459)

28 Analysis of changes in net funds

The charity had no debt during the year.

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