



The Soldiers' & Airmen's Scripture Readers Association

# **ANNUAL REPORT & FINANCIAL STATEMENTS**

**For the year ended 31 December 2020**



ASR Lee McDade and Chaplain Da Silva CF  
provide a 'socially distanced' book table.



**SASRA: Befriending servicemen and women with a view to their spiritual welfare, by introducing them to a practical experience of the Christian faith in support of the moral component of fighting power and their adherence to the Values & Standards of the British Military**

REGISTERED COMPANY NUMBER: 329268 (England and Wales)  
REGISTERED CHARITY NUMBER: 235708



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## REGISTERED OFFICE

The Soldiers' & Airmen's Scripture Readers Association  
Havelock House, Barrack Road, Aldershot, Hampshire, GU11 3NP

## REGISTERED CHARITY NUMBER

235708

## REGISTERED CHARITY NUMBER IN SCOTLAND

SC039130

## REGISTERED COMPANY NUMBER

329268

## STATUS

The Soldiers' & Airmen's Scripture Readers Association is a charity registered in England, Wales and Scotland and a company limited by guarantee registered in England and Wales. We have completed an Expression of Intent for registration in Northern Ireland with the Charity Commission for Northern Ireland. The Soldiers' & Airmen's Scripture Readers Association is governed by its Articles of Association, Incorporated the 29<sup>th</sup> day of June 1937.

## TRUSTEES & PROFESSIONAL ADVISORS

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020.

TRUSTEES		APPOINTMENT DATE
Lt Col J Allen MB ChB FRC		August 2000
Lt Col P Bray RIFLES		April 2006
Gp Capt M E Bunting	(Deputy Chair)	June 2004
Maj M Claydon		April 2013
Lt Col N C E Dawes		January 1990
Sqn Ldr R A Gallagher MBE		July 1991
Sqn Ldr J Greenald RAF		April 2012
Lt Col C M StG Kirke PhD		April 1996
Col J W Lewis	(Chairman)	May 1995
Maj A Mcleod QARANC		July 2012
Miss J E Moss		May 2018 (Resigned June 2020)
Brig D Reeve		October 2019
Col C R Rider CBE		September 2002
Maj P D Shannon MBE CA Mus		December 1994
Lt Col W Wells RIFLES		April 2005
Mr S Pryor		January 2020
Mr J Wooldridge		April 2016



## EXECUTIVE DIRECTOR

Sqn Ldr Rev Dr A A Hill BSc MBA PhD Dip Mgt Dip CPC Dip Comp RAF (Ret'd)

## PRESIDENT

Manor General R J Thomson CBE DSO

## PRESIDENT EMERITUS

General the Lord Dannatt GCB CBE MC DL

## VICE-PRESIDENTS

Major General Rev R M Llewellyn CB OBE

Major General Sir Laurence New CB CBE

Brigadier W I C Dobbie OBE

Major General R J Thomson CBE DSO

Colonel E B L Armistead CBE

Colonel R G R Hall QGM

(Deceased 6 November 2020)

Lady J Farmer

## COMPANY SECRETARY

Sqn Ldr Rev A A Hill BSc MBA PhD Dip Mgt Dip CPC Dip Comp RAF (Ret'd)

## PATRON

Her Majesty the Queen

## AUDITORS

HPCA Ltd  
Chartered Accountants  
and Statutory Auditors  
Station House  
Connaught Road  
Brookwood  
Woking  
Surrey  
GU24 0ER



**SOLICITORS**

Barlow Robbins  
The Oriel  
Sydenham Road  
Guildford  
Surrey  
GU1 3SR

**BROKERS**

Brewin Dolphin Securities Ltd  
12 Smithfield Street  
London  
EC1A 9BD

## **1. GOVERNANCE**

### **1.a Management of the Soldiers' & Airmen's Scripture Readers Association (SASRA)**

The Board of SASRA met on four occasions during the year to establish overall strategy and policy, to determine matters of principle, deal with budgeting and other financial matters, including the oversight of properties, to confirm ASR recruitment decisions and to review progress towards achieving plans and goals. The Directors of SASRA manage the day-to-day operations. Management decisions are relayed to field staff through Headquarters staff. Communications with all employees are maintained through regular meetings, fraternal groups, video conference, staff conference, email, telephone and written documentation.

### **1.b Management Structure**

SASRA HQ senior Staff are accountable to the Board of Trustees and serve by leading, managing and administering the Association. Under the leadership of the Executive Director they have responsibility to recommend and implement the strategy of the Association.

### **MEMBERS OF SASRA HQ**

**Senior Staff:**

Executive Director	–	Andrew Hill
Ministry Director	–	Warran Fawcett
Operations Director	–	Warren Berdo
Finance Director	–	Nicholas Hayward then Phil Rush from April 2020
Facilities Director	–	Vacant
Pastoral Director	–	Graham Heaps



#### HQ Staff:

Administration Officer	–	Shirley Henderson
Development Officer	–	Phil Rush then Gareth Bartlett from February 2020
Donor Relations Officer	–	Oliver Friend / Sandra Stockwell (from 24/11/20)
Finance Officer	–	Jacqueline Thomas
Prayer Coordinator	–	Maureen McCormack
Support Officer	–	Sophie Pomeroy (24/3/20)
Advocate Officer	-	Olia Mitskevich (from 18/2/20)
Communications Officer	-	John Surtees (from March 2020)

### ASSOCIATION MEMBERSHIP

The Association has a membership limited to 50 in its Articles of Association; these are the members of the Company from whom the Trustees (Council or Board) are appointed. There are currently 16 members, who are synonymous with the Trustees. (This membership is distinct from the category 'serving members', which comprises those currently serving in the Military who have chosen to join the Association in order to be associated with, and to contribute to its activities).

Members sign a written consent to become a member. Subject to any regulations which the Association may make in a General Meeting, the Council has the right to choose members of the Association, but no person shall be admitted to membership unless and until he or she signs a form expressing adherence to the basis of belief upon which the work of the Association is carried out. The Chairman, assisted by the members, seeks to identify potential new members who have appropriate military experience and/or professional or other qualifications and experience which would equip them to assist with the management of the Association.

### GOVERNING DOCUMENTS

The Memorandum and Articles of Association of the Soldiers' & Airmen's Scripture Readers Association were incorporated on the 29<sup>th</sup> of June 1937. Under the Companies Act the Association was incorporated as a Company limited by guarantee and not having a share capital. The Governing Documents set out the objects for which the Association was established, and how the Association is to be managed.

### COUNCIL OF MANAGEMENT

The Council of Management (or Trustees), drawn from the membership, shall not number less than 12 or more than 24. The Council may appoint any member of the Association as a member of the Council until the next Ordinary General Meeting, when the individual shall then be eligible for re-election.



## **ELECTION, ROTATION AND TRAINING OF TRUSTEES**

At the Ordinary General Meeting to be held each year members of the Council who have served for three years will retire; a retiring member of the Council shall be eligible for re-election. Only members of the Association are empowered to vote in such elections.

New Trustees, on appointment, are given an induction training package to introduce them to their responsibilities. They are provided with copies of the Association's governing documents, and the guidance provided for trustees by the Charity Commission. Additionally, they receive briefings from HQ staff on the financial processes and accounts of the Association, the policies of the Association and any issues or challenges faced by the Association. Trustees are encouraged to attend third-party training on the role and responsibilities of their office.

## **MANAGEMENT OF THE ASSOCIATION**

The Council plans to meet 4 times each year in ordinary council meetings, one of which is also the Annual General Meeting. Extraordinary Council meetings may be called as required. The Council meets for the dispatch of business, to adjourn and otherwise regulate their meetings as they think fit, and to determine the quorum necessary for the transaction of business. Unless otherwise determined, three shall be a quorum. Questions arising at any meeting are decided by a majority of votes. In case of an equality of votes the Chairman has a second or casting vote.

The Council may delegate any of its powers to committees consisting of such member or members of the Council as they think fit, and any committee so formed shall conform to any regulations imposed on it by the Council.

## **MANAGEMENT DURING THE COVID-19 PANDEMIC**

In response to the Covid-19 pandemic a SASRA Coronavirus Crisis Committee (S3C) was constituted, with delegated powers agreed by the full SASRA Council. The S3C was made up of the Chairman, Vice Chairman and 7 additional Council members, with the SASRA Directors in attendance. The S3C held its first meeting on the 30<sup>th</sup> of March 2020, and its last (eighth) meeting on the 14<sup>th</sup> of September 2020. This increased frequency of meeting permitted Council to help advise and steer the executive through the many difficult and challenging circumstances and decisions around government guidance and restrictions, the implementation of furlough for part of the workforce, and the preparation and implementation of risk-based plans to safeguard both the staff and the future of the Association.

## **VICE PRESIDENTS**

Colonel R G R Hall QGM joined the Vice Presidential bench in 2019. It is with great sadness that we report his death from spinal cancer on the 6<sup>th</sup> of November 2020. His vibrant faith in the Lord Jesus Christ, warm encouragement for the work of the Association and valued





friendship are all deeply missed. We rejoice that he is in a better place, with the Saviour he loves.

### **1.c Pay Policy for Staff**

SASRA's Trustees give their time freely and receive no remuneration. They are entitled to expenses, but none were claimed in 2020. The pay of the Staff is reviewed annually and normally increased in line with the SASRA Pay Policy. A Pay Review Body under the chairmanship of Major Philip Bray was convened in 2016 to review all pay and allowances for SASRA Staff. This Body made its recommendations to the Board in October 2016. The approved recommendations were put into effect from 1<sup>st</sup> January 2017, subject to affordability.

### **1.d Responsibilities of the Board of Trustees**

The Trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including its income and expenditure, of the charity for the year. In preparing financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the requirements of 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.

### **1.e Trustees' Statement**

Each of the Trustees has confirmed that so far as they are aware there is no relevant audit information of which the auditors are unaware, and that they have taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees have also ensured that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005.



## **2. STRATEGIC REPORT**

### **2.a Aims and Objectives of SASRA**

The principal objectives of the Association are to:

- a. Befriend servicemen and women with a view to their spiritual welfare.
- b. Introduce servicemen and women to a practical experience of the Christian faith in support of the moral component of fighting power and their adherence to the Values & Standards of the British military.
- c. Provide pastoral support for servicemen and women, where appropriate signposting them to support, medical and other welfare services.
- d. Encourage serving Christians to witness to their colleagues by their manner of life and their spoken testimony.

Scripture Readers endeavour to explain the Gospel of Jesus Christ and demonstrate its power by living their lives in accordance with the teaching of the Bible. Scripture Readers also encourage regular individual and corporate Bible study and the formation of fellowship gatherings.

### **2.b Strategies Adopted and Activities Undertaken to Achieve the Aims and Objectives**

SASRA works on a wide variety of British Army establishments and some RAF Bases in accordance with the following strategies:

- Employing and training Christians with appropriate gifts to work with the Armed Forces;
- Identifying units and locations so that SASRA Scripture Readers may focus their ministry on personnel stationed there;
- Placing Scripture Readers among, or as close as possible to the people to whom they are ministering;
- Relating sensitively and respectfully to individuals of all backgrounds, beliefs and lifestyles, extending pastoral and practical care in the particular needs and situations they are experiencing, and earning their respect and friendship by patient, long-term ministry;
- Taking every opportunity to explain, defend and commend the Christian message of salvation through Jesus Christ;
- Encouraging and assisting those who respond positively to this message to become active members of the caring community that is a congregation of the Christian Church.

### **2.c Ministries**

We have continued to enjoy the support and encouragement of the Ministry of Defence Chaplains Branches who provide the formal sponsorship without which our work could not continue on MOD bases. For many years SASRA has operated in the Army under the terms of a Charter agreed with the Royal Army Chaplain's Department. In 2016 extensive work was undertaken to craft an Memorandum of Understanding (MoU) to govern SASRA's work with the British Army, and on the 5<sup>th</sup> of August 2016 this was signed by Reverend Doctor



David Coulter QHC, Chaplain General; Major General Richard Stanford MBE, General Officer Commanding Regional Command; and Colonel John Lewis, SASRA Chairman. This MoU provides a firm base from which the work of the Association can be continued and developed, and we thank the Lord for His provision. In 2020, in consultation with the Chaplain in Chief of the Royal Air Force and his staff work was commenced on reviewing and updating General Administrative Instruction 1005, which governs SASRA's work with the Royal Air Force. This work was ongoing at the year end, having been substantially delayed by the COVID-19 pandemic. Please see the section under 2.f on Ministry to the RAF for further details.

Throughout 2020 SASRA continued to provide spiritual instruction and support to members of the British Army and the Royal Air Force through the labours and hard work of our Scripture Readers, both full and part-time. Our Area Representatives travelled until the first pandemic lockdown in March 2020 to inform the Christian public about the work of SASRA, and to stimulate and garner prayer and financial support. As the lockdown persisted and our team of Area Representatives were unable to work the Association had the opportunity to examine in depth the effectiveness of the model of church engagement in use. This confirmed earlier work which demonstrated that the finite number of deputation meetings that each Area Representative could undertake, and the average size of gifts from a church meant that it was costing the Association a significant sum to field the Area Representative team. In 2019 the receipts generated by the team covered only around 60% of their costs. During lockdown the Association transitioned much of its supporter engagement to virtual channels, including electronic newsletters with embedded videos and electronic deputation materials. As a result, while there was a reduction in income from churches, that from individual supporters actually increased. A consultation was commenced with the Area Representatives to determine the best way ahead, and it was concluded that the post of Area Representative should be made redundant. Three members of the team transferred to other posts within the Association, and two took voluntary redundancy. While this was a sad outcome, it was the right one in terms of the effective use of resources for the ministry and the future of the Association's engagement with churches.

Our Scripture Readers are active on a wide range of military bases throughout the UK. With the closure of British Forces Germany in the summer of 2019 our last remaining Scripture Reader in Germany was redeployed to Edinburgh. As and when circumstances permit the Association desires to deploy a Scripture Reader to Cyprus to minister to serving personnel based there. For security reasons we are unable to publish a list of the military establishments visited by our Scripture Readers.

## **2.d Achievements and Performance**

### **SASRA'S MINISTRY THROUGH 2020**



The first two months of 2020 saw normal operations by our Scripture Readers, but from March 23<sup>rd</sup> the imposition of COVID-19 pandemic restrictions significantly curtailed our work. Five Scripture Readers were able to continue work without interruption throughout the year, although constrained by social distancing and other measures designed to combat the spread of the virus. Other Scripture Readers were initially furloughed as they were unable to perform useful work, either because their own vulnerabilities required them to shield, or their units required them to stay away, before being returned to work as restrictions were lifted.

In response the Association accelerated work to equip all staff with suitable IT equipment under project SASRAConnect. This project aimed to equip and train all staff to allow remote working, and enable Scripture Readers to achieve valuable ministry using virtual, electronic tools. Following the relaxation of restrictions on the 10<sup>th</sup> May we were able to return most of our Scripture Reader Team to work, both in-person and virtually. A second national lockdown was imposed from the 5<sup>th</sup> of November, ending four weeks later on the 2<sup>nd</sup> of December. Most Scripture Readers were able to continue work through this period, although use was made of 'flex-furlough' to enable part-time working.

Half of the Headquarters' staff were furloughed for parts of the first lockdown, but an increasing number of staff were returned to work to help with supporter engagement and to equip Scripture Readers with IT facilities. The Team of Area Representatives was furloughed from 1<sup>st</sup> April and Area Representatives were unable to return to work throughout the year. Three transferred to other duties, one becoming a Scripture Reader, one the Communications Officer and a third our first Regional Manager. One Area Representative left the Association to become a church minister, and the remaining two Area Representatives took voluntary redundancy.

Spiritual and welfare provision for Service Personnel was significantly reduced during the year as other organisations were unable to operate. On some bases only SASRA Scripture Readers worked alongside Chaplains to provide support for serving personnel. Later in 2020 there was an increase in spiritual concerns, and our staff were able to help individuals to study the Bible and engage with the gospel and the good news of Jesus Christ. A number of people professed faith in the Lord. There was a significant rise in demand for general welfare provision, and Scripture Readers were involved in supporting and signposting a wide range of individuals with personal, emotional, family and mental health concerns. At one end of the scale some individuals were helped to make the decision to continue in basic training, at the other end our staff were dealing with contemplated suicide and very sad and traumatic bereavements.

In all of this it is a privilege to serve, and to bring Christian comfort to those in such distress and need.

## FUNDRAISING & SUPPORTER RELATIONS [SP1]

SASRA would like to thank all our individual and church supporters for their continuing partnership in the gospel through their prayers, financial gifts and volunteering their time. This support is vital to the continuing work of SASRA and the future growth of the ministry, and we are thankful to God for all our gospel partners. We would also like to thank our supporting trusts who contribute towards the cost of our ministry.



In compliance with the Charities (Protection and Social Investment) Act 2016 section 13:

(a) Members of the general Christian public are invited to pray and give financially to support the work of the Association. Invitations to give to support the work are provided in Association literature, in Christian periodicals, on our website and in our social media presence. When invited to provide deputation meetings for Christian groups our needs are presented, either by full-time staff or volunteers, together with the opportunity to support the work. Under normal circumstances we would have a presence at significant Christian conferences and conventions, where the opportunity to give to support our work would be presented. We employ a donor relations officer who applies to various trusts, foundations and grant giving bodies seeking financial support for our work. We have not employed an outside professional fund-raiser or commercial participator in any of these activities.

(b) No employee of the Association or volunteer was subject to an undertaking to be bound by any voluntary scheme for regulating fund-raising, or any voluntary standard of fund raising.

(c) Consequently, there was no failure to comply with a scheme or standard of fund-raising.

(d) Members of staff or volunteers who invite individuals or organisations to consider supporting our work financially are overseen and trained by their line managers.

(e) No complaints have been received by the charity about its activities for the purpose of fund-raising in the past 12 months.

(f) Employees of the Association and volunteers do not fundraise in a way which is an unreasonable intrusion on a person's privacy, is unreasonably persistent or places undue pressure on a person to donate. The Association does not engage in house-to-house collections, face-to-face fundraising on the street, static collections, general direct mailing or telephone-based fundraising.

While the Association is not registered with the Fundraising Regulator, the Trustees are cognizant of the Fundraising Code and the Fundraising Promise.

Donations in 2020 totalled £916,539 which was an increase of 18% over the previous year's figure of £774,269.

With the increased value of gift income the Association was able to increase Gift Aid income by 11% to £82,957.

Legacy income increased slightly from £104,066 to £110,456. A further legacy project is planned for 2021, following on from the previous exercise in 2018/19.

Investment income reduced by 43% to £65,607 compared to £94,064 last year. Whilst the dividends received from stock market investments continue to be lower as a result of reserved funds being used to purchase accommodation for new Scripture Readers, we were able to let one of our properties on a short term lease which enabled the overall growth. We are profoundly grateful for the Lord's provision through the giving of His



people.

We communicate with supporters across various media including traditional print publications and digital channels, and we continue to review and improve these communications with the aim that we provide our supporters with the resources they need to engage fully in support of the work of the Association.

Our Area Representatives' Team continued to plan and deliver an extensive UK-wide church deputation programme up until the restrictions imposed in March as a result of the Covid-19 pandemic prevented further church visits.

## PROPERTY

Where possible Scripture Readers are accommodated in Service Family Accommodation (SFA), as this places them in the heart of the communities to which they minister. These properties are normally provided to SASRA staff at charitable rates, which are lower than open market rates, and this benefit is reflected in the accounts as Intangible Income of £60,000. However, the draw-down from Germany is causing a high demand for military housing, and this is making it more difficult for SASRA staff to obtain SFA. Where service-provided housing is unavailable the Association purchases suitable properties for our staff on the open market.

## PUBLIC BENEFIT

The Trustees have had regard to the Charity Commission's guidance on public benefit.

Public Benefits Offered by SASRA:

- Communicating the Gospel of Jesus Christ to serving members of the British Army and the Royal Air Force together with their dependents.
- Assisting Military Chaplains and Chaplaincy Teams in the provision of spiritual and pastoral support for serving personnel.
- Promoting interdenominational Christian fellowship, and thus encouraging the benefits of community.
- Encouragement to believers to live the Christian life in accordance with Biblical principles in submission to the law and in a manner that is loving, caring and compassionate.
- Strengthening relations between military personnel and local communities.

Whilst the Association concentrates its efforts upon British Military personnel and their families, it also seeks to minister to any others who might be present. SASRA's Christian ministry is offered to all, regardless of rank or class; financial status; ethnicity; educational standard; mental, intellectual, or physical abilities, sexual and gender orientations or belief.

## 2.e Financial Review

While 2020 started normally, the sudden onset of the COVID-19 pandemic resulted in a wide range of changes through the remainder of the year. We chose to draw from investments at the start of the pandemic in order to ensure adequate operational funds as it was unclear how income would be impacted. Our total incoming resources in 2020 were



£1,380,400 which was 21% higher than in 2019. Total resources expended reduced slightly across the year by £18,965 to £1,318,895. For 2020 our net position before investment gains and losses showed a surplus of £61,505.

## CORONAVIRUS JOB RETENTION SCHEME

The Association took advantage of the Coronavirus Job Retention Scheme (CJRS) during the period. At April 2020 there were 16 members of staff on furlough. By September this had reduced to 7. By 31 December the number on furlough had reduced to 4. We received a total amount of £129,392 under the CJRS.

## ENDOWMENT FUNDS

A mixed stock market performance through 2020 resulted in our Endowment Funds (comprising property and stock market investments) falling in value from £3,203,253 at the close of 2019 to £3,035,665 for 2020, a fall of 5.2% which slightly bettered the FTSE which fell 6.4%.

Whilst these funds are of considerable importance to the Association as the means of providing staff with housing, this is the only use to which the capital can currently be put. We are in the perverse position of appearing to be a relatively wealthy charity because of these restricted funds, whereas the reality is that our unrestricted investments available for operational spending amount to the smaller sum of £484,803, equivalent to around four months' operating costs. In addition to unrestricted investments the Association also held cash reserves of £435K at 31<sup>st</sup> December 2020. Council policy is that available reserves should be between 3 and 6 months' operating costs. The total available unrestricted reserves of cash at bank and investments, allowing for accruals, was £859K, slightly less than 8 months' operational spend. This higher figure for reserves was held as a precaution given the very uncertain nature of income during the COVID-19 pandemic.

## ALLOCATION AND APPORTIONMENT OF COSTS

For many years total support costs had been allocated against 'Generating Funds' at a rate of 15%, and the direct costs relating to Area Representatives had been allocated to 'Generating Funds' at the rate of 50%. These apportionment's resulted in relatively high costs for the activity 'Generating Funds'. The basis of allocation was originally set a number of years ago and had not been subject to review. With the introduction of the new Charity SORP and the establishment of the Fundraising Regulator, it was considered an appropriate time to revisit the calculations. Consequently, the Trustees in conjunction with the relevant staff re-examined the apportionment values used to determine the resources expended on fundraising, and this has yielded the value of £58,079 in 2020 compared with £77,426 for 2019.

The Association benefitted from the voluntary service given by Part-Time Scripture Readers and local representatives at the start of the year, but the Covid-19 restrictions prevented them from undertaking any duties in the last three quarters. Many choose not to



claim expenses, although they are encouraged in these cases to make a claim and donate the proceeds. This then reflects at least some of the true costs of running the Association.

## RESERVES POLICY

The Trustees' policy is that the Association should hold between 3- and 6-months' operational expenditure in cash or near cash to cope with cash flow fluctuations and any short-term unexpected demands such as a sudden dramatic fall in dividend income. At the time of preparation of these accounts the Association held the equivalent of 5 months' general reserves in cash and near cash. Additionally, the Association holds housing stock for the conduct of its ministry, and the Trustees recognise the potential need to provide housing for either additional workers or existing workers who may have to move out of military quarters. This requirement would be met from restricted reserves.

## 2.f Risk Management, Principal Risks and Uncertainties

### RISK MANAGEMENT

The Council has overall responsibility for risk management and for the risk management statement required annually by the Charities SORP. The duties of Council are to:

- a. Assess the scope and effectiveness of the system in place to identify, assess, manage and monitor significant risks.
- b. Review the corporate governance statements in the annual report and accounts relating to risk management.

#### Executive Director and Directors

The responsibilities of the Executive Director and Directors are to:

- a. Design and implement the policy on risk management.
- b. Encourage good risk management practices.
- c. Identify and evaluate the significant risks faced by the business for consideration by the Strategy sub-committee.
- d. Review the effectiveness of risk management arrangements.
- e. Report regularly to the Council on the status and management of major risks.

#### Risk management methodology

The risk management methodology includes the following key stages:

- a. Identification and regular review of major risks directly linked to strategic aims and objectives and their mitigating action.
- b. Identification and regular review of other major risks and their mitigating action.
- c. Assessment of risks in terms of their likelihood and impact.
- d. Evaluation of what action needs to be taken.
- e. Periodic monitoring of risks.

#### Annual review of effectiveness





- In reviewing the effectiveness of risk management the following sources are considered:
- a. The adequacy of the controls as evidenced by reports from external auditors and third parties.
  - b. SASRA's performance in achieving its objectives and its financial and non-financial targets.
  - c. Assurances provided by risk owners and directors on the management of major risks.

#### Risk management strategy

In implementing our risk management policy we will:

- a. Run a risk management workshop annually to identify the strategic risks to achieving the business objectives.
- b. Implement 6-monthly reviews of major risks by the Executive Director and the Directors.
- c. Report to the Council 6-monthly on the status and management of major risks.
- d. Annually assess the effectiveness of controls over major risks.
- e. Periodically review the risk management policy.

### SIGNIFICANT RISKS

#### REPUTATION

The Soldiers' and Airmen's Scripture Readers Association is an evangelical Christian organisation with a clear mandate and objective to extend the knowledge of the gospel to the members of the British Army and the Royal Air Force. Any theological scandal arising from casual comment during deputation or within community ministry would have an adverse effect upon relations within our supporter base and our standing with the Christian public, the Chaplaincy and Military authorities. New recruits are required to subscribe to a statement of faith and are thoroughly briefed on SASRA's objectives. Training is provided to field staff each year by both the Military Authorities and by the Association, dealing in particular with the wise and appropriate handling of current issues and concerns.

#### MINISTRY TO THE RAF

The Association had only one RAF-facing Scripture Reader throughout 2020. However, a review of General Administrative Instruction 1005, which governs the Association's work with the RAF, was commenced in 2020. This work was successfully concluded in Q1 2021, together with agreement to deploy a second Reader to RAF Brize Norton in Q2 2021 and in principle to deploy up to a total of 10 Scripture Readers with the RAF in subsequent years. We trust that this very welcome outturn has significantly de-risked the future of the Association's work with the RAF.

#### COMMUNICATION WITH STAKEHOLDERS

SASRA must communicate effectively with our supporters, staff, partner organisations (including supporting churches and trusts) the Chaplaincy and Military authorities. Failure to do so will put our income streams at risk and could threaten our permissions to operate on military bases. We seek to adopt a relational approach with our stakeholders, and aim



to respect their preferences for the type and frequency of communication. In terms of fundraising we do not engage in telephone fundraising, nor do we outsource our fundraising to professional agencies. We never intentionally put vulnerable people or any of our supporters under pressure to give to support our ministry.

In order to strengthen our links with the Royal Army Chaplains Department we have negotiated the establishment of two Chaplaincy Liaison Officers. Under Protocol 1 to the MoU they are tasked with assisting the Association in recruiting, training and deploying new Scripture Readers, providing advice and guidance as required, and assisting with the resolution of any disputes or unhappiness with our deployed Scripture Readers.

## ALLEGATIONS OF IMPROPER CONDUCT TOWARDS CHILDREN AND VULNERABLE ADULTS

Some of our Staff work with young people (under 18's). Adverse public relations would result in SASRA losing integrity within the community and so impact funding and other support for our ministry. To minimise any potential situation all staff working in this area have received Disclosure and Barring Service clearance. In-house and regular military training is given on safeguarding to all staff members who work with young people. There is no regular work with vulnerable adults.

## OUR STAFF

SASRA must recruit staff of appropriate calibre in order to achieve our charitable aims. We have recently revised our selection procedures, especially for Scripture Readers, and have instituted a 48-hour residential process which incorporates role-play, team activities, written exams and interviews in order to evaluate Scripture Reader candidates more effectively.

## 2.g The Future

SASRA operates in a complex environment with rapidly changing values and much uncertainty. Within the Christian community it is also a time of changing attitudes to Christian societies and giving, and it is essential that SASRA adapts its methods and structures accordingly. The Association will focus on supporting and sharing the love of God and the good news of Jesus Christ with the military community. We will aim to increase the numbers of our staff to provide a SASRA Scripture Reader in every major military establishment, and to partner with other churches and Christian organisations. This ambition requires us to significantly increase our income, and to this end we will work to enhance our fundraising ability through the more effective employment of current staff and the expansion of our fund raising capability. We will aim for excellence in the work that we do so that we can serve the Lord Jesus Christ to the very best of our abilities.



**S.A.S.R.A.  
REPORT OF THE TRUSTEES  
for the year ended 31st December 2020**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including its income and expenditure, of the charity for the year. In preparing financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the requirements of 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.

**TRUSTEES' STATEMENT**

Each of the Trustees has confirmed that so far as they are aware there is no relevant audit information of which the auditors are unaware, and that they have taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees have also ensured that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005.



Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 28<sup>th</sup> April 2021 and signed on the board's behalf by:

.....  
**Colonel J W Lewis – Chairman of the Trustees**

12/05/2021

.....  
**Date**



## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF S.A.S.R.A.**

### **Opinion**

We have audited the financial statements of S.A.S.R.A. (the 'charitable company') for the year ended 31st December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (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 31st December 2020 and of its incoming resources and application of resources, including its income and expenditure, 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.



**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF  
S.A.S.R.A.**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF S.A.S.R.A.**

### **Our responsibilities for the audit of the financial statements**

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 a Report of the Independent Auditors 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:

### **The extent to which the audit was considered capable of detecting irregularities including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- 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 company, including Company law, the Charities Act 2011, data protection, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- To address the risk of fraud through management bias and override of controls, we:
  - performed analytical procedures to identify any unusual or unexpected relationships;
  - tested journal entries to identify unusual transactions;
  - assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
  - investigated the rationale behind significant or unusual transactions.
- ensure that expenditure on the leasehold improvements is in agreement with third party documentation, and specifically with the main contractors agreed tender documentation and final account report.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators including the Health and Safety Authority, and Legal advisors.

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.

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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at

**THE SOLDIERS' & AIRMEN'S SCRIPTURE READERS ASSOCIATION**

Annual Report and Financial Statements for the year ended 31 December 2020



[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit). This description forms part of our Report of the Auditors.





**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF  
S.A.S.R.A.**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lance Redman (Senior Statutory Auditor)

for and on behalf of HPCA Ltd

Chartered Accountants

and Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Station House

Connaught Road

Brookwood

Woking

Surrey

GU24 0ER

Date: 13 May 2021



**S.A.S.R.A.**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**for the year ended 31st December 2020**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2020 Total funds £	2019 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and legacies	2	1,169,952	-	-	1,169,952	1,012,921
<b>Charitable activities</b>	5					
Conventions and events		200	-	-	200	10,977
Other trading activities	3	15,249	-	-	15,249	11,639
Investment income	4	39,002	-	26,605	65,607	94,064
Other income	6	129,392	-	-	129,392	2,506
<b>Total</b>		1,353,795	-	26,605	1,380,400	1,132,107
<b>EXPENDITURE ON</b>						
<b>Raising funds</b>						
Raising donations and legacies	7	37,933	-	-	37,933	43,852
Other trading activities	8	8,443	-	-	8,443	13,661
Investment management costs	9	4,979	-	6,724	11,703	19,913
		51,355	-	6,724	58,079	77,426
<b>Charitable activities</b>	10					
Area Reps - contact with						
Christian public		348,503	323	-	348,826	408,587
Scripture Readers - contact with						
Military Personnel		902,022	3,595	-	905,617	819,568
Conventions and events		6,373	-	-	6,373	32,279
<b>Total</b>		1,308,253	3,918	6,724	1,318,895	1,337,860
Net gains/(losses) on investments		45,743	-	(169,363)	(123,620)	258,685
<b>NET INCOME/(EXPENDITURE)</b>		91,285	(3,918)	(149,482)	(62,115)	52,932
<b>Transfers between funds</b>	24	18,106	-	(18,106)	-	-
<b>Other recognised gains/(losses)</b>						
Gains on revaluation of fixed assets		-	-	-	-	1,190,380
Actuarial gains on defined benefit schemes		13,000	-	-	13,000	-



<b>Net movement in funds</b>	122,391	(3,918)	(167,588)	(49,115)	1,243,312
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**S.A.S.R.A.**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**for the year ended 31st December 2020**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2020 Total funds £	2019 Total funds £
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		2,007,748	5,534	3,203,253	5,216,535	3,973,223
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>2,130,139</u>	<u>1,616</u>	<u>3,035,665</u>	<u>5,167,420</u>	<u>5,216,535</u>



**S.A.S.R.A.**

**BALANCE SHEET**  
**31st December 2020**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2020 Total funds £	2019 Total funds £
<b>FIXED ASSETS</b>						
Tangible assets	17	1,166,009	-	2,021,068	3,187,077	3,183,608
Investments	18	501,139	-	925,843	1,426,982	1,842,311
		1,667,148	-	2,946,911	4,614,059	5,025,919
<b>CURRENT ASSETS</b>						
Stocks	19	21,747	-	-	21,747	18,573
Debtors	20	82,397	-	1,448	83,845	67,918
Cash at bank and in hand		549,886	1,616	87,306	638,808	250,875
		654,030	1,616	88,754	744,400	337,366
<b>CREDITORS</b>						
Amounts falling due within one year	21	(143,039)	-	-	(143,039)	(85,750)
<b>NET CURRENT ASSETS</b>		510,991	1,616	88,754	601,361	251,616
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,178,139	1,616	3,035,665	5,215,420	5,277,535
<b>PENSION LIABILITY</b>	25	(48,000)	-	-	(48,000)	(61,000)
<b>NET ASSETS</b>		2,130,139	1,616	3,035,665	5,167,420	5,216,535
<b>FUNDS</b>	24					
Unrestricted funds:						
General fund					506,643	140,534
Designated Fund - Properties					1,138,693	1,138,693
Designated Fund - Investments					484,803	728,521
					2,130,139	2,007,748
Restricted funds					1,616	5,534
Endowment funds					3,035,665	3,203,253
<b>TOTAL FUNDS</b>					5,167,420	5,216,535



The financial statements were approved by the Board of Trustees and authorised for issue on 28<sup>th</sup> April 2021 and were signed on its behalf by:

.....  
J W Lewis - Trustee



**S.A.S.R.A.**

**CASH FLOW STATEMENT**  
**for the year ended 31st December 2020**

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	82,432	(107,433)
Interest paid		<u>(165)</u>	<u>(240)</u>
Net cash provided by/(used in) operating activities		<u>82,267</u>	<u>(107,673)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(15,484)	(333,851)
Purchase of fixed asset investments		(177,637)	(225,233)
Sale of tangible fixed assets		-	2,506
Sale of fixed asset investments		532,862	382,717
Movement in investment cash account		(63,516)	185,907
Interest received		231	341
Dividends received		<u>48,934</u>	<u>69,128</u>
Net cash provided by investing activities		<u>325,390</u>	<u>81,515</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(13,000)	(13,000)
Expenditure attributable to endowment		<u>(6,724)</u>	<u>13,196</u>
Net cash (used in)/provided by financing activities		<u>(19,724)</u>	<u>196</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>387,933</u>	<u>(25,962)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>250,875</u>	<u>276,837</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>638,808</u></u>	<u><u>250,875</u></u>



**S.A.S.R.A.**

**NOTES TO THE CASH FLOW STATEMENT**  
**for the year ended 31st December 2020**

**1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2020 £	2019 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(62,115)	52,932
Adjustments for:		
Depreciation charges	11,948	4,209
Losses/(gain) on investments	123,620	(258,685)
Loss/(profit) on disposal of fixed assets	67	(2,506)
Interest received	(231)	(341)
Interest paid	165	240
Dividends received	(48,934)	(69,128)
Expenditure attributable to endowment	6,724	(13,196)
(Increase)/decrease in stocks	(3,174)	2,811
(Increase)/decrease in debtors	(15,927)	168,843
Increase in creditors	<u>70,289</u>	<u>7,388</u>
Net cash provided by/(used in) operations	<u>82,432</u>	<u>(107,433)</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.20 £	Cash flow £	At 31.12.20 £
<b>Net cash</b>			
Cash at bank and in hand	<u>250,875</u>	<u>387,933</u>	<u>638,808</u>
	<u>250,875</u>	<u>387,933</u>	<u>638,808</u>
<b>Debt</b>			
Debts falling due within 1 year	<u>(26,000)</u>	<u>13,000</u>	<u>(13,000)</u>
	<u>(26,000)</u>	<u>13,000</u>	<u>(13,000)</u>
<b>Total</b>	<u>224,875</u>	<u>400,933</u>	<u>625,808</u>





**S.A.S.R.A.**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31st December 2020**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The Financial statements have been prepared on the going concern basis.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Specifically, legacy income is recognised when the charitable company is first notified after grant of probate, and only if a value can be reasonably estimated for all elements of costs such as legal fees.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Raising funds**

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

**Charitable activities**

Costs of charitable activities are incurred principally in the provision of staff delivering the charitable objectives of the Association. These include the work of our Scripture Readers in providing spiritual and pastoral support to our beneficiaries, our Area Representatives in informing the Christian public of our work and the support costs relating to the management and governance of the charity apportioned to charitable activities.

**Governance costs**

This includes accountancy and professional fees incurred by the Charity to meet its statutory obligations.

**Allocation and apportionment of costs**

Support costs are made up of the management costs of running the charity. Part of these costs are directly allocated to Costs for Generating Funds and the remainder is allocated to Charitable Activities as 23% Area Reps - contact with Christian public, and 77% as Scripture Readers - contact with Military Personnel. The basis of this allocation is the percentage of overall staff in each section.

Also, the direct costs relating to Area Representatives have been apportioned between Costs for Generating Funds and Charitable Activities on a time apportionment basis, being 10% and 90% respectively. This is in order to reflect the Representatives' time used to raise awareness and generate funds.

**Tangible fixed assets**

The policy for capitalising fixed assets is items >£200 each.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.



**S.A.S.R.A.**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31st December 2020**

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Furniture & Equipment	- 10% to 33.33% on cost
Motor Vehicles	- 20% on cost

**Freehold properties**

Properties are initially recognised at cost. Properties are subsequently carried at the revalued amount and not depreciated. Properties are valued on an annual basis, whenever their carrying amounts are likely to differ materially from their revalued amounts.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The charity has five non-expendable endowment funds. These were capital gifts comprising of properties held for the specific use of housing Scripture Readers, and Trustee Status Investments. Income generated on the investments is treated as unrestricted.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable in the year are charged in the Statement of Financial Activities in the period to which they relate. Furthermore, in the past, the charitable company also made contributions to a defined benefit scheme up to 31st December 2005. More information on this is provided under the relevant note to the accounts.

**Investments**

The investments are quoted investments and stated at mid-market value at the balance sheet date. Surpluses and deficits on revaluation of the portfolio at the end of the year are reflected in the accounts in the Statement of Financial Activities separately between realised and unrealised gains.



**S.A.S.R.A.**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31st December 2020**

**2. DONATIONS AND LEGACIES**

	2020	2019
	£	£
Donations	916,539	774,269
Gift aid	82,957	74,586
Legacies	110,456	104,066
Intangible income	60,000	60,000
	<u>1,169,952</u>	<u>1,012,921</u>

**3. OTHER TRADING ACTIVITIES**

	2020	2019
	£	£
Sales	<u>15,249</u>	<u>11,639</u>

**4. INVESTMENT INCOME**

	2020	2019
	£	£
Rents received	16,442	24,595
Dividend income	48,934	69,128
Deposit account interest	231	341
	<u>65,607</u>	<u>94,064</u>

**5. INCOME FROM CHARITABLE ACTIVITIES**

	2020	2019
	£	£
Conferences income	200	10,977
Activity		
Conventions and events		

**6. OTHER INCOME**

	2020	2019
	£	£
Gain on sale of tangible fixed assets	-	2,506
Coronavirus Grant income	129,392	-
	<u>129,392</u>	<u>2,506</u>

**7. RAISING DONATIONS AND LEGACIES**

	2020	2019
	£	£
Staff costs	16,264	21,498
Telephone	250	320
Postage and stationery	51	196
Rent & rates	527	451
Computer costs	80	59
Heating & cleaning costs	166	169
Motor expenses	1,134	1,954

THE SOLDIERS' & AIRMEN'S SCRIPTURE READERS ASSOCIATION

Annual Report and Financial Statements for the year ended 31 December 2020



Publicity & advertising

19,461

19,205

37,933

43,852



**S.A.S.R.A.**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31st December 2020**

**8. OTHER TRADING ACTIVITIES**

	2020	2019
	£	£
Purchases	<u>8,443</u>	<u>13,661</u>

This includes a provision for slow moving stock of £1,081 (2019: £7,674)

**9. INVESTMENT MANAGEMENT COSTS**

	2020	2019
	£	£
Portfolio management	9,757	12,756
Rent collection	900	2,980
Property repairs	<u>1,046</u>	<u>4,177</u>
	<u>11,703</u>	<u>19,913</u>

**10. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 11) £	Support costs (see note 12) £	Totals £
Area Reps - contact with Christian public	166,585	182,241	348,826
Scripture Readers - contact with Military Personnel	494,177	411,440	905,617
Conventions and events	<u>6,373</u>	<u>-</u>	<u>6,373</u>
	<u>667,135</u>	<u>593,681</u>	<u>1,260,816</u>

**11. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2020	2019
	£	£
Staff costs	491,679	550,752
Other operating leases	15,417	18,718
Telephone	4,426	4,644
Postage and stationery	459	1,809
Rent & rates	41,136	36,820
Computer costs	2,238	531
Heating & cleaning	16,707	13,333
Travel & motor expenses	19,034	29,029
Other staff costs	2,047	736
Conferences expenses	6,373	32,278
Bibles	323	513
Relocation costs	5,390	6,496
Restructuring costs	55,879	-
Sundries	5,960	732
Loss on sale of assets	<u>67</u>	<u>-</u>
	<u>667,135</u>	<u>696,391</u>



**S.A.S.R.A.**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31st December 2020**

**12. SUPPORT COSTS**

	Management	Governance costs	Totals
	£	£	£
Area Reps - contact with Christian public	179,446	2,795	182,241
Scripture Readers - contact with Military Personnel	<u>401,715</u>	<u>9,725</u>	<u>411,440</u>
	<u>581,161</u>	<u>12,520</u>	<u>593,681</u>

Support costs, included in the above, are as follows:

**Management**

	Area Reps - contact with Christian public	Scripture Readers - contact with Military Personnel	2020	2019
	£	£	Total activities £	Total activities £
Salaries and expenses	62,028	208,624	270,652	228,007
Social security	4,679	15,663	20,342	19,527
Pensions	4,498	14,689	19,187	17,523
Other operating leases	1,363	3,911	5,274	1,927
Insurance	2,338	7,827	10,165	7,008
Telephone	1,222	4,093	5,315	4,954
Copying, postage & stationery	8,688	29,047	37,735	48,241
Accommodation costs & maint	61,482	4,960	66,442	73,439
Rent & service charges	8,595	30,655	39,250	35,151
Computer expenses	5,469	18,309	23,778	13,969
Outsource service fees	469	1,570	2,039	3,158
Professional fees	2,208	7,391	9,599	8,129
Travel & motor expenses	781	2,616	3,397	6,259
Cleaning	361	1,209	1,570	2,531
Other staff costs	323	1,083	1,406	1,249
Training	568	1,900	2,468	22,546
Publication	10,949	36,656	47,605	42,672
Sundries	650	2,174	2,824	10,140
Depreciation of tangible and heritage assets	2,737	9,211	11,948	4,209
Bank interest	<u>38</u>	<u>127</u>	<u>165</u>	<u>240</u>
	<u>179,446</u>	<u>401,715</u>	<u>581,161</u>	<u>550,879</u>



**S.A.S.R.A.**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31st December 2020**

**12. SUPPORT COSTS - continued**  
**Governance costs**

			2020	2019
	Area Reps - contact with Christian public £	Scripture Readers - contact with Military Personnel £	Total activities £	Total activities £
Auditors' remuneration	2,098	7,022	9,120	7,820
Auditors' remuneration for non audit work	386	1,294	1,680	1,608
Professional fees	311	1,409	1,720	3,736
	<u>2,795</u>	<u>9,725</u>	<u>12,520</u>	<u>13,164</u>

**13. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Auditors' remuneration	9,120	7,820
Auditors' remuneration for non audit work	1,680	1,608
Depreciation - owned assets	11,948	4,208
Other operating leases	20,691	20,645
(Deficit)/surplus on disposal of fixed assets	67	(2,506)

**14. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st December 2020 nor for the year ended 31st December 2019.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31st December 2020 nor for the year ended 31st December 2019.

Please refer to note 26 for other transactions with Trustees.

**15. STAFF COSTS**

	2020 £	2019 £
Wages and salaries	695,104	701,071
Social security costs	55,877	64,005
Other pension costs	67,143	72,231
	<u>818,124</u>	<u>837,307</u>



**S.A.S.R.A.**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31st December 2020**

**15. STAFF COSTS - continued**

The average monthly number of employees during the year was as follows:

	2020	2019
HQ Staff	11	10
Area Representatives	5	6
Scripture Readers	14	13
	<u>30</u>	<u>29</u>

No employees received emoluments in excess of £60,000.

The average number of volunteers were 3 this year (2019: 4).

The trustees have considered that the key management personnel comprise of the trustees, the Executive Director, the Finance Director, the Ministry Director and the Operations Director. The total compensation paid and payable of the key management personnel during the financial year was £157,406 (2019: £121,914). This increase was primarily due to the overlapping of the Finance Director Post during a 4-month handover in 2020, and the full annual cost of the Ministry director in 2020, the post only being filled in September 2019.

**16. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and legacies	972,741	40,180	-	1,012,921
<b>Charitable activities</b>				
Conventions and events	10,977	-	-	10,977
Other trading activities	11,639	-	-	11,639
Investment income	33,317	-	60,747	94,064
Other income	<u>2,506</u>	<u>-</u>	<u>-</u>	<u>2,506</u>
<b>Total</b>	<b>1,031,180</b>	<b>40,180</b>	<b>60,747</b>	<b>1,132,107</b>
<b>EXPENDITURE ON</b>				
<b>Raising funds</b>				
Raising donations and legacies	43,852	-	-	43,852
Other trading activities	13,661	-	-	13,661
Investment management costs	<u>8,218</u>	<u>-</u>	<u>11,695</u>	<u>19,913</u>
	65,731	-	11,695	77,426
<b>Charitable activities</b>				
Area Reps - contact with Christian public	407,741	846	-	408,587
Scripture Readers - contact with Military				
Personnel	789,568	30,000	-	819,568
Conventions and events	<u>22,099</u>	<u>10,180</u>	<u>-</u>	<u>32,279</u>



THE SOLDIERS' & AIRMEN'S SCRIPTURE READERS ASSOCIATION  
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<b>Total</b>	<u>1,285,139</u>	<u>41,026</u>	<u>11,695</u>	<u>1,337,860</u>
Net gains on investments	<u>34,178</u>	<u>-</u>	<u>224,507</u>	<u>258,685</u>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(219,781)</b>	<b>(846)</b>	<b>273,559</b>	<b>52,932</b>



**S.A.S.R.A.**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31st December 2020**

**16. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
<b>Transfers between funds</b>	<u>60,746</u>	<u>-</u>	<u>(60,746)</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>				
Gains on revaluation of fixed assets	<u>826,928</u>	<u>-</u>	<u>363,452</u>	<u>1,190,380</u>
<b>Net movement in funds</b>	667,893	(846)	576,265	1,243,312
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<u>1,339,856</u>	<u>6,379</u>	<u>2,626,988</u>	<u>3,973,223</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>2,007,749</u></u>	<u><u>5,533</u></u>	<u><u>3,203,253</u></u>	<u><u>5,216,535</u></u>

**17. TANGIBLE FIXED ASSETS**

	Freehold property £	Furniture & Equipment £	Totals £
<b>COST</b>			
At 1st January 2020	3,172,661	88,732	3,261,393
Additions	-	15,484	15,484
Disposals	<u>-</u>	<u>(351)</u>	<u>(351)</u>
At 31st December 2020	<u>3,172,661</u>	<u>103,865</u>	<u>3,276,526</u>
<b>DEPRECIATION</b>			
At 1st January 2020	4,905	72,880	77,785
Charge for year	7,488	4,460	11,948
Eliminated on disposal	<u>-</u>	<u>(284)</u>	<u>(284)</u>
At 31st December 2020	<u>12,393</u>	<u>77,056</u>	<u>89,449</u>
<b>NET BOOK VALUE</b>			
At 31st December 2020	<u><u>3,160,268</u></u>	<u><u>26,809</u></u>	<u><u>3,187,077</u></u>
At 31st December 2019	<u><u>3,167,756</u></u>	<u><u>15,852</u></u>	<u><u>3,183,608</u></u>

Included in Freehold properties, is a property beneficially owned by the charity, of which title is held by the W H Dawson Trust. All freehold properties are held for direct charitable purposes.

All the freehold residential properties were revalued by management during the year on the basis of a prudent estimate of residual value. Also included in Freehold properties is a property with carrying value of £65,000 which is tied into a leasehold which is due to expire in Nov 2028. This revaluation is based on the estimated future rental income since the property does not have a market value. This property will be depreciated over the remaining life of its lease.



**S.A.S.R.A.**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31st December 2020**

**18. FIXED ASSET INVESTMENTS**

	2020	2019
	£	£
Shares	1,352,718	1,831,563
Other	74,264	10,748
	<u>1,426,982</u>	<u>1,842,311</u>

Additional information as follows:

	Listed investments £
<b>MARKET VALUE</b>	
At 1st January 2020	1,831,563
Additions	177,637
Disposals	(636,184)
Revaluations	<u>(20,298)</u>
At 31st December 2020	<u>1,352,718</u>
<b>NET BOOK VALUE</b>	
At 31st December 2020	<u>1,352,718</u>
At 31st December 2019	<u>1,831,563</u>

The historical cost for the above Fixed Asset Investments is £1,070,353 (2019: £1,422,928).

There were no investment assets outside the UK. No investment exceeded 5% of the market value of the portfolio.

Investments (neither listed nor unlisted) were as follows:

	2020	2019
	£	£
Cash held for investment	<u>74,264</u>	<u>10,748</u>

**19. STOCKS**

	2020	2019
	£	£
Stocks	<u>21,747</u>	<u>18,573</u>

This includes a provision for slow moving stock of £6,593 (2019: £7,674)



**S.A.S.R.A.**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31st December 2020**

**20. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Miss Daniell's Soldiers' Homes	4,736	5,562
Dividend and int receivable	2,005	4,816
Legacy debtors	57,834	40,100
Other debtors	4,809	7,188
Gift aid tax reclaim due	2,003	4,866
Prepayments	<u>12,458</u>	<u>5,386</u>
	<u>83,845</u>	<u>67,918</u>

**21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Other loans (see note 22)	13,000	26,000
Social security and other taxes	17,040	16,659
Other creditors	19,006	15,037
Women's Fellowship	3,592	3,592
Welfare Fund	9,500	-
Accrued expenses	<u>80,901</u>	<u>24,462</u>
	<u>143,039</u>	<u>85,750</u>

On 7th May 2009, the charitable company received an interest-free loan from one of its Trustees, which is repayable on demand but is being settled in equal instalments over a period of twelve years.

**22. LOANS**

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>13,000</u>	<u>26,000</u>

**23. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	11,662	17,055
Between one and five years	<u>13,044</u>	<u>2,433</u>
	<u>24,706</u>	<u>19,488</u>



**S.A.S.R.A.**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31st December 2020**

**24. MOVEMENT IN FUNDS**

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
<b>Unrestricted funds</b>				
General fund	140,534	(34,330)	400,439	506,643
Designated Fund - Properties	1,138,693	-	-	1,138,693
Designated Fund - Investments	<u>728,521</u>	<u>138,615</u>	<u>(382,333)</u>	<u>484,803</u>
	2,007,748	104,285	18,106	2,130,139
<b>Restricted funds</b>				
Bible Fund	1,939	(323)	-	1,616
IT Project Fund	<u>3,595</u>	<u>(3,595)</u>	<u>-</u>	<u>-</u>
	5,534	(3,918)	-	1,616
<b>Endowment funds</b>				
The King Edward VII Soldiers & Sailors Ins. Fund	609,868	(77,162)	(7,220)	525,486
The Consolidated Fund	444,907	(46,577)	(3,361)	394,969
The W H Dawson Trust	2,136,804	(25,743)	(7,525)	2,103,536
Granville-Smith Fund	8,889	-	-	8,889
The Marter Reader Fund	<u>2,785</u>	<u>-</u>	<u>-</u>	<u>2,785</u>
	<u>3,203,253</u>	<u>(149,482)</u>	<u>(18,106)</u>	<u>3,035,665</u>
<b>TOTAL FUNDS</b>	<u><u>5,216,535</u></u>	<u><u>(49,115)</u></u>	<u><u>-</u></u>	<u><u>5,167,420</u></u>



Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	1,353,795	(1,308,253)	(79,872)	(34,330)
Designated Fund - Investments	-	-	138,615	138,615
	1,353,795	(1,308,253)	58,743	104,285
<b>Restricted funds</b>				
Bible Fund	-	(323)	-	(323)
IT Project Fund	-	(3,595)	-	(3,595)
	-	(3,918)	-	(3,918)
<b>Endowment funds</b>				
The King Edward VII Soldiers & Sailors				
Ins. Fund	7,220	(2,111)	(82,271)	(77,162)
The Consolidated Fund	3,361	(1,079)	(48,859)	(46,577)
The W H Dawson Trust	16,024	(3,534)	(38,233)	(25,743)
	26,605	(6,724)	(169,363)	(149,482)
<b>TOTAL FUNDS</b>	<u>1,380,400</u>	<u>(1,318,895)</u>	<u>(110,620)</u>	<u>(49,115)</u>



**S.A.S.R.A.**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31st December 2020**

**24. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
<b>Unrestricted funds</b>				
General fund	337,155	(251,757)	55,136	140,534
Designated Fund - Properties	796,222	826,928	(484,457)	1,138,693
Designated Fund - Investments	<u>206,479</u>	<u>31,975</u>	<u>490,067</u>	<u>728,521</u>
	1,339,856	607,146	60,746	2,007,748
<b>Restricted funds</b>				
Bible Fund	2,451	(512)	-	1,939
IT Project Fund	<u>3,928</u>	<u>(333)</u>	<u>-</u>	<u>3,595</u>
	6,379	(845)	-	5,534
<b>Endowment funds</b>				
The King Edward VII Soldiers & Sailors Ins. Fund	529,459	103,155	(22,746)	609,868
The Consolidated Fund	396,701	61,193	(12,987)	444,907
The W H Dawson Trust	1,689,154	472,648	(24,998)	2,136,804
Granville-Smith Fund	8,889	-	-	8,889
The Marter Reader Fund	<u>2,785</u>	<u>15</u>	<u>(15)</u>	<u>2,785</u>
	<u>2,626,988</u>	<u>637,011</u>	<u>(60,746)</u>	<u>3,203,253</u>
<b>TOTAL FUNDS</b>	<u><u>3,973,223</u></u>	<u><u>1,243,312</u></u>	<u><u>-</u></u>	<u><u>5,216,535</u></u>

**S.A.S.R.A.****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31st December 2020****24. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	1,031,180	(1,285,140)	2,203	(251,757)
Designated Fund - Properties	-	-	826,928	826,928
Designated Fund - Investments	-	-	31,975	31,975
	<u>1,031,180</u>	<u>(1,285,140)</u>	<u>861,106</u>	<u>607,146</u>
<b>Restricted funds</b>				
Bible Fund	-	(512)	-	(512)
IT Project Fund	-	(333)	-	(333)
Various Other Restricted Funds	<u>40,180</u>	<u>(40,180)</u>	<u>-</u>	<u>-</u>
	<u>40,180</u>	<u>(41,025)</u>	<u>-</u>	<u>(845)</u>
<b>Endowment funds</b>				
The King Edward VII Soldiers & Sailors Ins. Fund	22,746	(4,213)	84,622	103,155
The Consolidated Fund	12,987	(2,618)	50,824	61,193
The W H Dawson Trust	24,999	(4,864)	452,513	472,648
The Marter Reader Fund	<u>15</u>	<u>-</u>	<u>-</u>	<u>15</u>
	<u>60,747</u>	<u>(11,695)</u>	<u>587,959</u>	<u>637,011</u>
<b>TOTAL FUNDS</b>	<u><u>1,132,107</u></u>	<u><u>(1,337,860)</u></u>	<u><u>1,449,065</u></u>	<u><u>1,243,312</u></u>





**S.A.S.R.A.**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31st December 2020**

**24. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
<b>Unrestricted funds</b>				
General fund	337,155	(286,087)	455,575	506,643
Designated Fund - Properties	796,222	826,928	(484,457)	1,138,693
Designated Fund - Investments	<u>206,479</u>	<u>170,590</u>	<u>107,734</u>	<u>484,803</u>
	1,339,856	711,431	78,852	2,130,139
<b>Restricted funds</b>				
Bible Fund	2,451	(835)	-	1,616
IT Project Fund	<u>3,928</u>	<u>(3,928)</u>	<u>-</u>	<u>-</u>
	6,379	(4,763)	-	1,616
<b>Endowment funds</b>				
The King Edward VII Soldiers & Sailors Ins. Fund	529,459	25,993	(29,966)	525,486
The Consolidated Fund	396,701	14,616	(16,348)	394,969
The W H Dawson Trust	1,689,154	446,905	(32,523)	2,103,536
Granville-Smith Fund	8,889	-	-	8,889
The Marter Reader Fund	<u>2,785</u>	<u>15</u>	<u>(15)</u>	<u>2,785</u>
	<u>2,626,988</u>	<u>487,529</u>	<u>(78,852)</u>	<u>3,035,665</u>
<b>TOTAL FUNDS</b>	<u><u>3,973,223</u></u>	<u><u>1,194,197</u></u>	<u><u>-</u></u>	<u><u>5,167,420</u></u>



**S.A.S.R.A.**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31st December 2020**

**24. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	2,384,975	(2,593,393)	(77,669)	(286,087)
Designated Fund - Properties	-	-	826,928	826,928
Designated Fund - Investments	-	-	170,590	170,590
	2,384,975	(2,593,393)	919,849	711,431
<b>Restricted funds</b>				
Bible Fund	-	(835)	-	(835)
IT Project Fund	-	(3,928)	-	(3,928)
Various Other Restricted Funds	40,180	(40,180)	-	-
	40,180	(44,943)	-	(4,763)
<b>Endowment funds</b>				
The King Edward VII Soldiers & Sailors Ins. Fund	29,966	(6,324)	2,351	25,993
The Consolidated Fund	16,348	(3,697)	1,965	14,616
The W H Dawson Trust	41,023	(8,398)	414,280	446,905
The Marter Reader Fund	15	-	-	15
	87,352	(18,419)	418,596	487,529
<b>TOTAL FUNDS</b>	<u>2,512,507</u>	<u>(2,656,755)</u>	<u>1,338,445</u>	<u>1,194,197</u>

Included in total reserves, is a revaluation of £1,472,745 of which £1,190,380 represents the difference between the market value and the historical cost of properties. And £282,365 representing the difference between the market value and the historical cost of investments.

**Designated Funds**

These represent how much of the total general fund balance is tied into capital, specifically into properties and investments.

**Restricted Funds**

These comprise of various specific funds, the main one being the provision of fund to invest in much needed IT equipment and software together with appropriate IT support to benefit both the Area Representatives and also the main office.

**Endowment Funds**

The King Edward VII Soldiers & Sailors Institute Fund - The purpose for this fund is to provide accommodation for Scripture Readers, especially in geographical areas from which the Consolidated Fund is excluded, such as Scotland for instance. The cost of maintaining properties is met by the General Fund. This fund is mainly held in Trustee Status Investments. All cash income is received into the General Fund.

The Consolidated Fund - The purpose for this fund is partly to provide accommodation for Scripture Readers and the balance is held in Trustee Status Investments. All cash income is received into the General Fund.



The W H Dawson Fund - The purpose for this fund is partly to provide accommodation for Scripture Readers and the balance is mainly held in Trustee Status Investments. Income from investments and bank deposit interest is received into the General Fund.



**S.A.S.R.A.**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31st December 2020**

**24. MOVEMENT IN FUNDS - continued**

The Granville Smith Fund - The purpose for this fund is partly to provide accommodation for Scripture Readers and the balance was initially held in Trustee Status Investments, but was since sold and the proceeds held in a deposit account. All cash income is received into the General Fund.

The Marter Reader Fund - This was also a fund held in Trustee Status Investment, and was since sold and the proceeds are held in a deposit account. All cash income is received into the General Fund.

**Transfers between funds**

The transfer between the Designated Fund - Investments and the General Fund £382,333, represents the movement in designated fund investment in the year, so that the balance agrees to the total general reserves tied into investments.

The transfer from the Endowment Funds to the General Fund £18,106, represents dividend income received directly into the endowment funds which according to policy are ultimately transferred into the General Fund.

**25. EMPLOYEE BENEFIT OBLIGATIONS**

As referred to in note 27, the triennial actuarial valuation as at the 31st December 2019, showed a deficit against technical provisions of £48,000 which has been reflected in the financial statements. There is a plan to make additional contributions into the scheme commencing April 2021. If subsequent triennial valuations continue to show a deficit then the schedule of contributions will be adjusted accordingly.

**26. RELATED PARTY DISCLOSURES**

The Council of the Soldiers' and Airmen's Readers Association is Corporate Trustee and Beneficiary of various funds comprising non-expendable capital sums under the control of the Charity Commissioner for England and Wales.

The Council is Corporate Trustee and Beneficiary of The Consolidated Soldiers' and Airmen's Scripture Readers Fund (subsequently referred to as "The Consolidated Fund") is used in part to provide accommodation for Scripture Readers, with the balance of this, together with the capital of The Marter Reader Fund and The Granville Smith Memorial Fund, held in Trustee Status Investments.

The Council, under an order of the Gibraltar Supreme Court, is also Corporate Trustee and Beneficiary of The King Edward VII Soldiers' and Sailors Institute Fund. The capital is used to provide accommodation for Scripture Readers, especially in geographical areas from which the Consolidated Fund is excluded, like Scotland for instance. For the time being there are no properties held in Scotland, so all the fund is being held in Trustee Status Investments, until a new property is purchased.

The Council is Beneficiary of the W H Dawson Trust which was originally established solely to provide accommodation for the Association's Headquarters. The Trust has its own Trustees, responsible for the Charity Commissioners for England and Wales, but the Council has power to direct the Trustees within the limits of the Trust Deed and Trustees Investments Act 1961. As sole beneficiary, The Association acts as the secretariat for the Trustees.

The Council is also Corporate Trustee of Miss Daniell's Soldiers' Homes, a Registered Charity No. 233685 whose affairs are dealt with separately as this charity falls within the definition of a "connected charity" rather than a "branch" with respect to the Statement of Recommended Practice (Accounting by Charities). The charitable company pays rent and service charges to Miss Daniell's Soldiers' Homes in respect of office space at Havelock House. These totalled £31,409 (2019: £31,409).

Included in support costs, is the salary and other costs associated with the management of the Jackson Club on



behalf of Miss Daniell's Soldiers' Homes, amounting to £30,303 (2019: £30,758).

At the year end, there was a balance receivable from Miss Daniell's Soldiers' Homes of £4,736 (2019: £5,562).



**S.A.S.R.A.**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31st December 2020**

**27. TRANSACTIONS WITH TRUSTEES**

In May 2009, the charity received an interest-free loan from one of its trustees amounting to £156,000 repayable on demand but being repaid over a period of twelve years. The trustee retains the right to request part or full repayment at any time. The balance outstanding is shown in the notes for creditors repayable within one year.

**28. PENSION COMMITMENTS**

Up until 31st December 2005, the charity was contributing towards a defined benefit pension scheme providing benefits based on final pensionable pay. It was decided to close this pension fund following the advice of an Independent Actuary, and since then the charity started to contribute towards a defined contribution scheme. Contributions payable in the year are charged in the Statement of Financial Activities. The pension charge for the financial year was £67,511 (2019: £66,883).

The assets of the defined benefit pension scheme are being held separately from those of the charity, and are being invested with insurance companies. Full actuarial valuations are undertaken by an independent, qualified actuary at intervals not exceeding three years. The most recently completed full valuation was as at 31st December 2019 and figures have been updated from that date to the accounting date using data available to the qualified actuary at the time.

The method of valuation which has been adopted is the Current Unit Method, and the assumptions which have the most significant effect on the results of the 2016 valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. The basis of inflation used for statutory pension increases and statutory revaluation for the scheme has changed from RPI (Retail Price Index) to CPI (Consumer Price Inflation). For members who have not yet retired, and wherever permissible, it was assumed that the investment returns would be 2.4% pa after retirement, and that present pensions would increase at the rate of 2%pa for those subject to CPI and to RPI, and future pensions would increase at the rate of 3.7% pa for those subject to CPI and 2.4%pa to RPI.

The fair value of the scheme's assets as at that date was £283,000 (2016:£326,000) and the present value of the scheme's liabilities was £331,000 (2016:£387,000) giving a deficit in the scheme of £48,000 (2016:£61,000). The movement in the deficit has not been recognised as a reduction in the provision for liabilities and charges in the charity's financial statements.

The next full assessment will be due at 31st December 2022.

**29. MEMBERS' LIABILITY**

Every member of the charitable company undertakes to contribute such amount as may be required (not exceeding 50p) to the charitable company's assets if it should be wound up while he/she is a member, or within one year after he/she ceases to be a member.



**S.A.S.R.A.**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**  
**for the year ended 31st December 2020**

	2020 £	2019 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	916,539	774,269
Gift aid	82,957	74,586
Legacies	110,456	104,066
Intangible income	<u>60,000</u>	<u>60,000</u>
	1,169,952	1,012,921
<b>Other trading activities</b>		
Sales	15,249	11,639
<b>Investment income</b>		
Rents received	16,442	24,595
Dividend income	48,934	69,128
Deposit account interest	<u>231</u>	<u>341</u>
	65,607	94,064
<b>Charitable activities</b>		
Conferences income	200	10,977
<b>Other income</b>		
Gain on sale of tangible fixed assets	-	2,506
Coronavirus Grant income	<u>129,392</u>	<u>-</u>
	<u>129,392</u>	<u>2,506</u>
<b>Total incoming resources</b>	1,380,400	1,132,107
<b>EXPENDITURE</b>		
<b>Raising donations and legacies</b>		
Salaries and expenses	13,657	17,862
Social security	1,262	1,835
Pensions	1,345	1,801
Telephone	250	320
Postage and stationery	51	196
Rent & rates	527	451
Computer costs	80	59
Heating & cleaning costs	166	169
Motor expenses	1,134	1,954
Publicity & advertising	<u>19,461</u>	<u>19,205</u>
	37,933	43,852
<b>Other trading activities</b>		
Purchases	8,443	13,661



**S.A.S.R.A.**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**  
**for the year ended 31st December 2020**

	2020 £	2019 £
<b>Other trading activities</b>		
<b>Investment management costs</b>		
Portfolio management	9,757	12,756
Rent collection	900	2,980
Property repairs	1,046	4,177
	<hr/>	<hr/>
	11,703	19,913
 <b>Charitable activities</b>		
Salaries and expenses	410,795	455,202
Social security	34,273	42,643
Pensions	46,611	52,907
Other operating leases	15,417	18,718
Telephone	4,426	4,644
Postage and stationery	459	1,809
Rent & rates	41,136	36,820
Computer costs	2,238	531
Heating & cleaning	16,707	13,333
Travel & motor expenses	19,034	29,029
Other staff costs	2,047	736
Conferences expenses	6,373	32,278
Bibles	323	513
Relocation costs	5,390	6,496
Restructuring costs	55,879	-
Sundries	5,960	732
Loss on sale of tangible fixed assets	67	-
	<hr/>	<hr/>
	667,135	696,391
 <b>Support costs</b>		
<b>Management</b>		
Salaries and expenses	270,652	228,007
Social security	20,342	19,527
Pensions	19,187	17,523
Other operating leases	5,274	1,927
Insurance	10,165	7,008
Telephone	5,315	4,954
Copying, postage & stationery	37,735	48,241
Accommodation costs & maint	66,442	73,439
Rent & service charges	39,250	35,151
Computer expenses	23,778	13,969
Outsource service fees	2,039	3,158
Professional fees	9,599	8,129
Travel & motor expenses	3,397	6,259
Cleaning	1,570	2,531
Other staff costs	1,406	1,249
Training	2,468	22,546
Publication	47,605	42,672
Sundries	2,824	10,140
Freehold property	7,488	-
Carried forward	576,536	546,430





**S.A.S.R.A.**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**  
**for the year ended 31st December 2020**

	2020 £	2019 £
<b>Management</b>		
Brought forward	576,536	546,430
Fixtures and fittings	4,460	4,209
Bank interest	<u>165</u>	<u>240</u>
	581,161	550,879
<b>Governance costs</b>		
Auditors' remuneration	9,120	7,820
Auditors' remuneration for non audit work	1,680	1,608
Professional fees	<u>1,720</u>	<u>3,736</u>
	<u>12,520</u>	<u>13,164</u>
Total resources expended	<u>1,318,895</u>	<u>1,337,860</u>
<b>Net income/(expenditure) before gains and losses</b>	61,505	(205,753)
<b>Realised recognised gains and losses</b>		
Realised gains/(losses) on fixed asset investments	<u>(103,322)</u>	<u>21,487</u>
<b>Net expenditure</b>	<u><u>(41,817)</u></u>	<u><u>(184,266)</u></u>

