



SOLDIERS' & AIRMEN'S SCRIPTURE READERS ASSOCIATION

Annual Report
2021

Registered Company Number: 329268 (England and Wales)

Registered Charity Number: 235708

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REPORT OF THE TRUSTEES

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 31st December 2021. The trustees have adopted the provisions of 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).

Structure, Governance and Management

Reference and Administrative Details

REGISTERED COMPANY NUMBER

329268 (England and Wales)

REGISTERED OFFICE

Havelock House, Barrack Road, ALDERSHOT, Hampshire, GU11 3NP

TRUSTEES

Lt Col J Allen MB ChB FRCS

Maj P Bray RIFLES

Gp Capt M E Bunting RAF

Lt Col N C E Dawes

Sqn Ldr R A Gallagher MBE

Lt Col C M StG Kirke PhD

Col J W Lewis (Chairman)

Col C R Rider CBE

Maj P D Shannon MBE CAMus

Maj W Wells RGJ

Sqn Ldr J Greenald

Maj M Claydon

Maj A C Massey QARANC

Brig D Reeve

S R Pryor

J P M Wooldridge

Flt Lt D H Heath (appointed 1.8.21)

AUDITORS

HPCA Ltd

Chartered Accountants and Statutory Auditors

Station House, Connaught Road, Brookwood, Woking, Surrey, GU24 0ER

SOLICITORS

Moore Barlow

Concorde House, 165 Church Street East, Woking, Surrey, GU21 6HJ

BROKERS

Brewin Dolphin Securities Ltd
12 Smithfield Street, London, EC1A 9BD

EXECUTIVE DIRECTOR

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

PRESIDENT

Major 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

Colonel E B L Armistead CBE

Rev (Gp Capt) T Wright RAF (Ret'd)

Lady J Farmer

COMPANY SECRETARY

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

PATRON

Her Majesty the Queen

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

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 recruitment decisions and to review progress towards achieving plans and goals. The Directors of SASRA, appointed by the Board, manage the day-to-day operations. Management decisions are relayed to field staff through Head Quarters 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 to lead and serve 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	Phil Rush
Facilities Director	Colin Williams (from 12 January 2021
Pastoral Director	Graham Heaps (resigned Easter 2021), currently vacant

HQ Staff:

Administration Officer	Shirley Henderson
Development Officer	Gareth Bartlett
Donor Relations Officer	Sandra Stockwell
Finance Officer	Jacqueline Thomas
Prayer Coordinator	Maureen McCormack, then Laura Reuter from 12/01/21
Support Officer	Sophie Pomeroy
Advocate Officer	Olia Mitskevich
Communications Officer	John Surtees

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 29th 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.

VICE PRESIDENTS

There were no changes to the members of the Vice-Presidential bench in 2021.

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 2021. 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 1st January 2017, subject to affordability.

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 a Memorandum of Understanding (MoU) to govern SASRA's work with the British Army, and on the

5th 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.

Throughout 2021 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. This has included providing pastoral support and values and standards instruction to numerous young soldiers and aviators. Our Regional Managers have worked within the constraints of Covid restrictions to bring the work of the Association before the Christian public to stimulate and garner prayer and financial support.

Our Scripture Readers are active on a wide range of military bases throughout the UK. Work commenced in 2020 to deploy a Scripture Reader to Cyprus, with the Executive Director visiting British Forces Cyprus at the invitation of our President, the Commander British Forces Cyprus, in December. It is hoped that a deployment will be achieved in Autumn 2021.

For security reasons we are unable to publish a list of the military establishments visited by our Scripture Readers.

2.d Achievements and Performance

FUNDRAISING & SUPPORTER RELATIONS

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 2021 totalled £928,381 which was an increase of 1% over the previous year's figure of £916,539.

Gift Aid income in 2020 was exceptionally boosted by a single significant gift. If this gift is excluded then Gift Aid income rose in 2021 by 10% to £56,884, conversely if it is included then Gift Aid income fell by 31%.

Legacy income increased by 10% from £110,456 to £121,088.

Investment income reduced by 21% to £52,102 compared to £65,607 last year. Dividend income was reduced in part because of the economic impact of the Covid pandemic, in part because of the withdrawal of investments to fund the purchase of accommodation for a Scripture Reader, and in part because of the Government's direction that companies that had benefitted from the furlough scheme and other Government support measures should reduce their dividends to investors.

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.

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

Our total incoming resources in 2021 were £1,266,525 which was 8% lower than the £1,380,400 achieved in 2020. Total resources expended increased by 1% across the year to £1,318,895. For 2021 our net position before investment gains and losses showed a deficit of £67,357.

ENDOWMENT FUNDS

A mixed stock market performance through 2021 resulted in our Endowment Funds rising in value from £3,035,665 at the close of 2020 to £3,093,383 for the end of 2021, an increase of 2%.

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 much smaller sum of £557,196, equivalent to around five months' operating costs. Council policy is that available reserves should be between 3- and 6-months' operating costs.

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 apportionments resulted in high costs for the activity 'Generating Funds'. The basis of allocation was 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 yielded a value of £58,079 in 2020. The restructuring undertaken with the removal of the Area Representative function has further reduced this value to £17,546 for 2021. The intention to use Volunteer Representatives to undertake the bulk of deputation visits in the future means that it is expected that the cost of generating funds will continue to be limited.

The Association normally benefits from the voluntary service given by local representatives, but the Covid-19 restrictions restricted such activity in 2021. Many volunteers choose not to claim legitimate 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 7 months' general reserves in cash and near cash. In view of the economic pressures resulting from both the Covid pandemic and the conflict in Ukraine the Trustees considered it prudent to hold an increased level of general reserves. It has yet to be seen what effect the rapid cost of living increases will have on the ability of supporters to provide funding for the work of the Association.

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 Council has delegated oversight responsibility for risk management to the Strategy sub-committee. The duties of the Committee 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 Strategy sub-committee 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 Strategy sub-committee 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 currently has one full-time RAF Scripture Reader, but anticipates deploying a second Scripture Reader to RAF Brize Norton, and a further Scripture Reader to RAF Akrotiri. If these deployments take place as planned the Association will end 2022 with 3 RAF-facing Scripture Readers. We are deeply grateful for the help and support we have received from Chaplaincy and other personnel from both RAF Brize Norton and British Forces Cyprus to enable this increased level of ministry to RAF personnel.

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. We are now in the process of establishing RAF Chaplaincy Liaison Officers to cement our working relationships with the RAF.

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 continue to revise and develop our selection procedures, especially for Scripture Readers, currently focussed around 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

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.

AUDITORS

The auditors, HPCA Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 25th May 2022 and signed on its behalf by:



.....
Col J W Lewis - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE 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 2021 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 2021 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.

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.

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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

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 <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.

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. 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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
Station House
Connaught Road
Brookwood
Woking
Surrey
GU24 0ER

Date:

STATEMENT OF FINANCIAL ACTIVITIES

INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

For the year ended 31st December 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	1,170,853	-	-	1,170,853	1,169,952
Other trading activities	3	17,674	-	-	17,674	15,449
Investment income	4	27,984	-	24,118	52,102	65,607
Other income	5	25,896	-	-	25,896	129,392
Total		1,242,407	-	24,118	1,266,525	1,380,400
EXPENDITURE ON						
Raising funds		39,274	-	5,849	45,123	58,079
Charitable activities	6					
Scripture Readers - contact with Military Personnel		1,254,739	1,616	32,404	1,288,759	1,260,816
Total		1,294,013	1,616	38,253	1,333,882	1,318,895
Net gains/(losses) on investments		59,108	-	95,971	155,079	(123,620)
NET INCOME/(EXPENDITURE)		7,502	(1,616)	81,836	87,722	(62,115)
Transfers between funds	20	24,118	-	(24,118)	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit schemes		-	-	-	-	13,000
Net movement in funds		31,620	(1,616)	57,718	87,722	(49,115)
RECONCILIATION OF FUNDS						
Total funds brought forward		2,130,139	1,616	3,035,665	5,167,420	5,216,535
TOTAL FUNDS CARRIED FORWARD		2,161,759	-	3,093,383	5,255,142	5,167,420

The notes form part of these financial statements

BALANCE SHEET

31st December 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS						
Tangible assets	13	1,170,133	-	2,138,080	3,308,213	3,187,077
Investments	14	556,761	-	826,151	1,382,912	1,426,982
		1,726,894	-	2,964,231	4,691,125	4,614,059
CURRENT ASSETS						
Stocks	15	24,640	-	-	24,640	21,747
Debtors	16	180,999	-	642	181,641	83,845
Cash at bank and in hand		350,360	-	128,510	478,870	638,808
		555,999	-	129,152	685,151	744,400
CREDITORS						
Amounts falling due within one year	17	(73,134)	-	-	(73,134)	(143,039)
NET CURRENT ASSETS		482,865	-	129,152	612,017	601,361
TOTAL ASSETS LESS CURRENT LIABILITIES						
		2,209,759	-	3,093,383	5,303,142	5,215,420
PENSION LIABILITY	21	(48,000)	-	-	(48,000)	(48,000)
NET ASSETS		2,161,759	-	3,093,383	5,255,142	5,167,420
FUNDS						
Unrestricted funds:						
General fund	20				473,635	506,643
Designated Fund - Properties					1,138,693	1,138,693
Designated Fund - Investments					549,431	484,803
					2,161,759	2,130,139
Restricted funds					-	1,616
Endowment funds					3,093,383	3,035,665
TOTAL FUNDS					5,255,142	5,167,420

The notes form part of these financial statements

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

The financial statements were approved by the Board of Trustees and authorised for issue on 25th May 2022 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'J W Lewis', written in a cursive style.

.....
J W Lewis - Trustee

CASH FLOW STATEMENT

For the year ended 31st December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	(173,119)	82,432
Interest paid		(1,446)	(165)
Net cash (used in)/provided by operating activities		<u>(174,565)</u>	<u>82,267</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(406,786)	(15,484)
Purchase of fixed asset investments		(347,192)	(177,637)
Sale of tangible fixed assets		235,596	-
Sale of fixed asset investments		497,092	532,862
Movement in investment cash account		49,249	(63,516)
Interest received		609	231
Dividends received		37,312	48,934
Net cash provided by investing activities		<u>65,880</u>	<u>325,390</u>
Cash flows from financing activities			
Loan repayments in year		(13,000)	(13,000)
Expenditure attributable to endowment		(38,253)	(6,724)
Net cash used in financing activities		<u>(51,253)</u>	<u>(19,724)</u>
Change in cash and cash equivalents in the reporting period		(159,938)	387,933
Cash and cash equivalents at the beginning of the reporting period		638,808	250,875
Cash and cash equivalents at the end of the reporting period		<u>478,870</u>	<u>638,808</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT

For the year ended 31st December 2021

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

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	87,722	(62,115)
Adjustments for:		
Depreciation charges	17,651	11,948
(Gain)/losses on investments	(155,079)	123,620
Loss on disposal of fixed assets	32,404	67
Interest received	(609)	(231)
Interest paid	1,446	165
Dividends received	(37,312)	(48,934)
Expenditure attributable to endowment	38,253	6,724
Increase in stocks	(2,893)	(3,174)
Increase in debtors	(97,796)	(15,927)
(Decrease)/increase in creditors	(56,906)	70,289
Net cash (used in)/provided by operations	(173,119)	82,432

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank and in hand	638,808	(159,938)	478,870
	638,808	(159,938)	478,870
Debt			
Debts falling due within 1 year	(13,000)	13,000	-
	(13,000)	13,000	-
Total	625,808	(146,938)	478,870

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021

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 were formerly separately identified as the work of our Scripture Readers in providing spiritual and pastoral support to our beneficiaries and our Area Representatives in informing the Christian public of our work. As the charity has had a reorganisation and no longer has Area Representatives, there is now only one principal activity and the account presentation has been adjusted to reflect this. The support costs relating to the management and governance of the charity is 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.

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.

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.

2. Donations and Legacies

	2021	2020
	£	£
Donations	928,381	916,539
Gift aid	56,884	82,957
Legacies	121,088	110,456
Intangible income	64,500	60,000
	<u>1,170,853</u>	<u>1,169,952</u>

3. Other Trading Activities

	2021 £	2020 £
Sales	17,674	15,449

4. Investment Income

	2021 £	2020 £
Rents received	14,181	16,442
Dividend income	37,312	48,934
Deposit account interest	609	231
	<u>52,102</u>	<u>65,607</u>

5. Other Income

	2021 £	2020 £
Coronavirus Grant income	25,896	129,392

6. Charitable Activities Costs

	Direct Costs (see note 7) £	Support Costs (see note 8) £	Totals £
Scripture Readers - contact with Military Personnel	638,083	650,676	1,288,759

7. Direct Costs of Charitable Activities

	2021 £	2020 £
Staff costs	423,907	491,679
Other operating leases	19,043	15,417
Telephone	8,283	4,426
Postage and stationery	212	459
Rent & rates	35,967	41,136
Computer costs	844	2,238
Heating & cleaning	14,899	16,707
Travel & motor expenses	18,652	19,034
Other staff costs	8,336	2,047

	2021 £	2020 £
Accommodation costs	64,500	60,000
Conferences expenses	4,370	6,373
Bibles	-	323
Relocation costs	4,135	5,390
Restructuring costs	-	55,879
Sundries	2,531	5,960
Loss on sale of assets	32,404	67
	<u>638,083</u>	<u>727,135</u>

8. Support Costs

	Management £	Governance Costs £	Totals £
Scripture Readers - contact with Military Personnel	639,326	11,350	650,676

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

Management	2021 Scripture Readers - contact with Military Personnel £	2020 Total Activities £
Salaries and expenses	314,720	270,652
Social security	27,667	20,342
Pensions	24,606	19,187
Other operating leases	5,327	5,274
Insurance	10,248	10,165
Telephone	4,273	5,315
Copying, postage & stationery	39,871	37,735
Accommodation costs & maint.	31,261	6,442
Rent & service charges	36,644	39,250
Computer expenses	16,321	23,778
Outsource service fees	4,438	2,039
Professional fees	15,294	9,599
Travel & motor expenses	7,377	3,397
Cleaning	-	1,570
Other staff costs	2,995	1,406
Training	16,618	2,468
Publication	60,493	47,605
Sundries	2,076	2,824

Management	2021 Scripture Readers - contact with Military Personnel £	2020 Total Activities £
Depreciation of tangible and heritage assets	17,651	11,948
Bank interest	1,446	165
	<u>639,326</u>	<u>521,161</u>

Governance costs	2021 Scripture Readers - contact with Military Personnel £	2020 Total Activities £
Auditors' remuneration	9,600	9,120
Carried forward	9,600	9,120
Brought forward	9,600	9,120
Auditors' remuneration for non- audit work	1,600	1,680
Professional fees	150	1,720
	<u>11,350</u>	<u>12,520</u>

9. Net Income/(Expenditure)

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

	2021 £	2020 £
Auditors' remuneration	9,600	9,120
Auditors' remuneration for non audit work	1,600	1,680
Depreciation - owned assets	17,650	11,948
Other operating leases	24,370	20,691
Deficit on disposal of fixed assets	<u>32,404</u>	<u>67</u>

10. Trustees' Remuneration and Benefits

There were no trustees' remuneration or other benefits for the year ended 31st December 2021 nor for the year ended 31st December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2021 nor for the year ended 31st December 2020.

Please refer to note 26 for other transactions with Trustees.

11. Staff Costs

	2021 £	2020 £
Wages and salaries	696,741	695,104
Social security costs	62,319	55,877
Other pension costs	63,582	67,143
	<u>822,642</u>	<u>818,124</u>

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

	2021	2020
HQ Staff	13	11
Area Representatives	-	5
Scripture Readers	15	14
Regional Managers	2	-
	<u>30</u>	<u>30</u>

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

The average number of volunteers were 59 this year (2020: 3).

The trustees have considered that the key management personnel comprise of the trustees, the Executive Director, the Finance Director, the Ministry Director, the Facilities Director and the Operations Director. The total compensation paid and payable of the key management personnel during the financial year was £195,846 (2020: £157,406). The increase was primarily due to the full annual cost of the Facilities Director which was not included in 2020.

12. Comparatives for the Statement of Financial Activities

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	1,169,952	-	-	1,169,952
Other trading activities	15,449	-	-	15,449
Investment income	39,002	-	26,605	65,607
Other income	129,392	-	-	129,392
Total	<u>1,353,795</u>	<u>-</u>	<u>26,605</u>	<u>1,380,400</u>
EXPENDITURE ON				
Raising funds	51,355	-	6,724	58,079
Charitable activities				
Scripture Readers - contact with Military Personnel	1,256,898	3,918	-	1,260,816
Total	<u>1,308,253</u>	<u>3,918</u>	<u>6,724</u>	<u>1,318,895</u>
Net gains/(losses) on investments	<u>45,743</u>	<u>-</u>	<u>(169,363)</u>	<u>(123,620)</u>

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
NET INCOME/(EXPENDITURE)	91,285	(3,918)	(149,482)	(62,115)
Transfers between funds	18,106	-	(18,106)	-
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	13,000	-	-	13,000
Net movement in funds	122,391	(3,918)	(167,588)	(49,115)
RECONCILIATION OF FUNDS				
Total funds brought forward	2,007,748	5,534	3,203,253	5,216,535
TOTAL FUNDS CARRIED FORWARD	2,130,139	1,616	3,035,665	5,167,420

13. Tangible Fixed Assets

	Freehold property £	Furniture & Equipment £	Motor vehicles £	Totals £
COST				
At 1st January 2021	3,172,661	103,865	-	3,276,526
Additions	392,961	6,825	7,000	406,786
Disposals	(268,000)	-	-	(268,000)
At 31st December 2021	3,297,622	110,690	7,000	3,415,312
DEPRECIATION				
At 1st January 2021	12,393	77,056	-	89,449
Charge for year	7,497	9,920	233	17,650
At 31st December 2021	19,890	86,976	233	107,099
NET BOOK VALUE				
At 31st December 2021	3,277,732	23,714	6,767	3,308,213
At 31st December 2020	3,160,268	26,809	-	3,187,077

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.

14. Fixed Asset Investments

	2021 £	2020 £
Shares	1,357,898	1,352,718
Other	25,014	74,264
	<u>1,382,912</u>	<u>1,426,982</u>

Additional information as follows:

	Listed Investments £
MARKET VALUE	
At 1st January 2021	1,352,718
Additions	347,192
Disposals	(472,113)
Revaluations	<u>130,101</u>
At 31st December 2021	<u>1,357,898</u>
NET BOOK VALUE	
At 31st December 2021	<u>1,357,898</u>
At 31st December 2020	<u>1,352,718</u>

The historical cost for the above Fixed Asset Investments is £1,041,352 (2020: £1,070,353).

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

Cost or valuation at 31st December 2021 is represented by:

	Listed Investments £
Valuation in 2021	<u>1,357,898</u>

Investments (neither listed nor unlisted) were as follows:

	2021	2020
	£	£
Cash held for investment	25,014	74,264

15. Stocks

	2021	2020
	£	£
Stocks	24,640	21,747

16. Debtors: Amounts Falling Due Within One Year

	2021	2020
	£	£
Miss Daniell's Soldiers' Homes	16,577	4,736
Dividend and int receivable	1,076	2,005
Legacy debtors	145,075	57,834
Other debtors	696	4,809
Gift aid tax reclaim due	1,976	2,003
Prepayments	16,241	12,458
	<u>181,641</u>	<u>83,845</u>

17. Creditors: Amounts Falling Due Within One Year

	2021	2020
	£	£
Other loans (see note 18)	-	13,000
Social security and other taxes	17,959	17,040
Other creditors	27,495	19,006
Women's Fellowship	3,592	3,592
Welfare Fund	9,500	9,500
Accrued expenses	14,588	80,901
	<u>73,134</u>	<u>143,039</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.

18. Loans

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year on demand:		
Other loans	-	13,000

19. Leasing Agreements

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

	2021 £	2020 £
Within one year	26,725	11,662
Between one and five years	22,488	13,044
	<u>49,213</u>	<u>24,706</u>

20. Movement in Funds

	At 1.1.21 £	Net movement in funds £	Transfer between funds £	At 31.12.21 £
Unrestricted funds				
General fund	506,643	(46,320)	13,312	473,635
Designated Fund - Properties	1,138,693	-	-	1,138,693
Designated Fund - Investments	484,803	53,822	10,806	549,431
	<u>2,130,139</u>	<u>7,502</u>	<u>24,118</u>	<u>2,161,759</u>
Restricted funds				
Bible Fund	1,616	(1,616)	-	-
Endowment funds				
The King Edward VII Soldiers & Sailors Ins. Fund	525,486	(20,677)	(4,292)	500,517
The Consolidated Fund	394,969	6,443	(1,730)	399,682
The W H Dawson Trust	2,103,536	96,070	(18,096)	2,181,510
Granville-Smith Fund	8,889	-	-	8,889
The Marter Reader Fund	2,785	-	-	2,785
	<u>3,035,665</u>	<u>81,836</u>	<u>(24,118)</u>	<u>3,093,383</u>
TOTAL FUNDS	<u>5,167,420</u>	<u>87,722</u>	<u>-</u>	<u>5,255,142</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,242,407	(1,294,013)	5,286	(46,320)
Designated Fund - Investments	-	-	53,822	53,822
	1,242,407	(1,294,013)	59,108	7,502
Restricted funds				
Bible Fund	-	(1,616)	-	(1,616)
Endowment funds				
The King Edward VII Soldiers & Sailors Ins. Fund	4,292	(33,880)	8,911	(20,677)
The Consolidated Fund	1,730	(360)	5,073	6,443
The W H Dawson Trust	18,096	(4,013)	81,987	96,070
	24,118	(38,253)	95,971	81,836
TOTAL FUNDS	1,266,525	(1,333,882)	155,079	87,722

Comparatives for movement in funds

	At 1.1.20 £	Net movement in funds £	Transfer between funds £	At 31.12.20 £
Unrestricted funds				
General fund	140,534	(34,330)	400,439	506,643
Designated Fund - Properties	1,138,693	-	-	1,138,693
Designated Fund - Investments	728,521	138,615	(382,333)	484,803
	2,007,748	104,285	18,106	2,130,139
Restricted funds				
Bible Fund	1,939	(323)	-	1,616
IT Project Fund	3,595	(3,595)	-	-
	5,534	(3,918)	-	1,616
Endowment funds				
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

	At 1.1.20 £	Net movement in funds £	Transfer between funds £	At 31.12.20 £
The Marter Reader Fund	2,785	-	-	2,785
	3,203,253	(149,482)	(18,106)	3,035,665
TOTAL FUNDS	5,216,535	(49,115)	-	5,167,420

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
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
Restricted funds				
Bible Fund	-	(323)	-	(323)
IT Project Fund	-	(3,595)	-	(3,595)
	-	(3,918)	-	(3,918)
Endowment funds				
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)
TOTAL FUNDS	1,380,400	(1,318,895)	(110,620)	(49,115)

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

	At 1.1.20 £	Net movement in funds £	Transfer between funds £	At 31.12.21 £
Unrestricted funds				
General fund	140,534	(80,650)	413,751	473,635
Designated Fund - Properties	1,138,693	-	-	1,138,693
Designated Fund - Investments	728,521	192,437	(371,527)	549,431
	2,007,748	111,787	42,224	2,161,759

	At 1.1.20 £	Net movement in funds £	Transfer between funds £	At 31.12.21 £
Restricted funds				
Bible Fund	1,939	(1,939)	-	-
IT Project Fund	3,595	(3,595)	-	-
	5,534	(5,534)	-	-
Endowment funds				
The King Edward VII Soldiers & Sailors Ins. Fund	609,868	(97,839)	(11,512)	500,517
The Consolidated Fund	444,907	(40,134)	(5,091)	399,682
The W H Dawson Trust	2,136,804	70,327	(25,621)	2,181,510
Granville-Smith Fund	8,889	-	-	8,889
The Marter Reader Fund	2,785	-	-	2,785
	3,203,253	(67,646)	(42,224)	3,093,383
TOTAL FUNDS	5,216,535	38,607	-	5,255,142

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 £
Unrestricted funds				
General fund	2,596,202	(2,602,266)	(74,586)	(80,650)
Designated Fund - Investments	-	-	192,437	192,437
	2,596,202	(2,602,266)	117,851	111,787
Restricted funds				
Bible Fund	-	(1,939)	-	(1,939)
IT Project Fund	-	(3,595)	-	(3,595)
	-	(5,534)	-	(5,534)
Endowment funds				
The King Edward VII Soldiers & Sailors Ins. Fund	11,512	(35,991)	(73,360)	(97,839)
The Consolidated Fund	5,091	(1,439)	(43,786)	(40,134)
The W H Dawson Trust	34,120	(7,547)	43,754	70,327
	50,723	(44,977)	(73,392)	(67,646)
TOTAL FUNDS	2,646,925	(2,652,777)	44,459	38,607

Included in total reserves, is a revaluation of £1,433,481 of which £1,116,935 represents the difference between the market value and the historical cost of properties. And £316,546 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.

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 £10,806, 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 £24,118, represents dividend income received directly into the endowment funds which according to policy are ultimately transferred into the General Fund.

21. 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. Additional contributions of £50 per month commenced in the year under review.

22. 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 £31,203 (2020: £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 £42,368 (2020: £30,303).

At the year end, there was a balance receivable from Miss Daniell's Soldiers' Homes of £16,576 (2020: £4,736).

23. Post Balance Sheet Events

Subject to regulatory approval the SASRA Council, acting as the corporate trustee of Miss Daniell's Soldiers Homes (MDSH), after a detailed examination of the available options has taken the decision to merge the two charities. The legal work to achieve this merger is currently underway. It is intended that MDSH should remain an entity within SASRA both to maintain the Christian work at the Jackson Club, Gibraltar Barracks, Minley, and to explore opportunities of expanding her work to new locations as appropriate. The merger will benefit MDSH by providing access to the support and management functions available in SASRA, and will benefit SASRA by providing locations from which Scripture Readers can base and operate their ministries in support of serving personnel. For some years MDSH has been running at a modest annual loss, and it is the ambition of the Trustees that this should be reversed and the work be put on a secure footing to guarantee MDSH's future and permit expansion.

24. 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 final repayment was made in the year under review.

25. 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 £68,741 (2019: £67,511).

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.

26. 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.

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31st December 2021

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	928,381	916,539
Gift aid	56,884	82,957
Legacies	121,088	110,456
Intangible income	64,500	60,000
	<u>1,170,853</u>	<u>1,169,952</u>
Other trading activities		
Sales	17,674	15,449
Investment income		
Rents received	14,181	16,442
Dividend income	37,312	48,934
Deposit account interest	609	231
	<u>52,102</u>	<u>65,607</u>
Other income		
Coronavirus Grant income	<u>25,896</u>	<u>129,392</u>
Total incoming resources	<u>1,266,525</u>	<u>1,380,400</u>
EXPENDITURE		
Raising donations and legacies		
Salaries and expenses	26,822	13,657
Social security	2,610	1,262
Pensions	2,310	1,345
Telephone	133	250
Postage and stationery	24	51
Rent & rates	305	527
Computer costs	8	80
Heating & cleaning costs	15	166
Motor expenses	492	1,134
Publicity & advertising	3,333	19,461
	<u>36,052</u>	<u>37,933</u>
Other trading activities		
Purchases	-	8,443
Investment management costs		
Portfolio management	7,800	9,757
Rent collection	843	900
Property repairs	428	1,046
	<u>9,071</u>	<u>11,703</u>
Charitable activities		
Salaries and expenses	355,199	410,795
Social security	32,042	34,273
Pensions	36,666	46,611

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	2021	2020
	£	£
Other operating leases	19,043	15,417
Telephone	8,283	4,426
Postage and stationery	212	459
Rent & rates	35,967	41,136
Computer costs	844	2,238
Heating & cleaning	14,899	16,707
Travel & motor expenses	18,652	19,034
Other staff costs	8,336	2,047
Accommodation costs	64,500	60,000
Conferences expenses	4,370	6,373
Bibles	-	323
Relocation costs	4,135	5,390
Restructuring costs	-	55,879
Sundries	2,531	5,960
Loss on sale of tangible fixed assets	32,404	67
	<u>638,083</u>	<u>727,135</u>
Support costs		
Management		
Salaries and expenses	314,720	270,652
Social security	27,667	20,342
Pensions	24,606	19,187
Other operating leases	5,327	5,274
Insurance	10,248	10,165
Telephone	4,273	5,315
Copying, postage & stationery	39,871	37,735
Accommodation costs & maint	31,261	6,442
Rent & service charges	36,644	39,250
Computer expenses	16,321	23,778
Outsource service fees	4,438	2,039
Professional fees	15,294	9,599
Travel & motor expenses	7,377	3,397
Cleaning	-	1,570
Other staff costs	2,995	1,406
Training	16,618	2,468
Publication	60,493	47,605
Sundries	2,076	2,824
Freehold property	7,127	7,488
Fixtures and fittings	10,291	4,460
Motor vehicles	233	-
Bank interest	1,446	165
	<u>639,326</u>	<u>521,161</u>
Governance costs		
Auditors' remuneration	9,600	9,120
Carried forward	9,600	9,120
Brought forward	9,600	9,120
Auditors' remuneration for non-audit work	1,600	1,680
Professional fees	150	1,720
	<u>11,350</u>	<u>12,520</u>
Total resources expended	<u>1,333,882</u>	<u>1,318,895</u>

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	2021 £	2020 £
Net (expenditure)/income before gains and losses	(67,357)	61,505
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	24,978	(103,322)
Net expenditure	<u>(42,379)</u>	<u>(41,817)</u>