

**Charity Registration Number 226684**

**Company Registration Number 34118 (England and Wales)**

**CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S  
CLUBS**

**COUNCIL MEMBERS' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2007**



# **CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Council</b>	Rear Admiral S R J Goodall CBE Chairman Air Commodore M J Allisstone, CBE Brigadier C A Brown President Group Captain G Bowyer Commander G A Greaves Royal Navy Lieutenant Colonel A D Hincks JP Captain A C Long Royal Navy Commander P T Mayfield Royal Navy Mr B H Parsons FCA Mr D W Russell Mr A Siddall
<b>Secretary</b>	Commander M Pearce
<b>Charity number</b>	226684
<b>Company number</b>	34118
<b>Principal address</b>	1 Shakespeare Terrace 126 High Street Portsmouth Hampshire PO1 2RH
<b>Registered office</b>	1 Shakespeare Terrace 126 High Street Portsmouth Hampshire PO1 2RH
<b>Auditors</b>	Jones Avens Piper House 4 Dukes Court Bognor Road Chichester West Sussex PO19 8FX
<b>Bankers</b>	Lloyds Bank Plc 38 London Road North End Portsmouth Hampshire PO1 2RE
<b>Solicitors</b>	Blake Laphorn Tario Lyons Harbour Court, Compass Road North Harbour Portsmouth Hampshire PO6 4ST

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# **CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS**

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# **CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS**

## **COUNCIL MEMBERS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2007**

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The Council present their report and accounts for the year ended 31 December 2007

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000

#### **Structure, governance and management**

The Church of England Soldiers', Sailors' and Airmen's Clubs (short title CESSAC) is a Company limited by Guarantee and not having share capital, registered in England (Company No 34118) and is a Registered Charity (No 226684) which does not trade for profit and is exempt from Corporation Tax. Its Memorandum and Articles of Association govern the charitable company, including the appointment and reappointment of its members of Council. CESSAC is VAT-registered (No 675 8276 83). CESSAC is a founder member of the Council for Voluntary Welfare Work, an MOD recognised umbrella group for Christian charities supporting the Armed Forces at home and abroad.

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

Rear Admiral S R J Goodall CBE Chairman

Air Commodore M J Allisstone, CBE

Brigadier C A Brown President

Group Captain G Bowyer

Commander G A Greaves Royal Navy

Lieutenant Colonel A D Hincks JP

Captain A C Long Royal Navy

Commander P T Mayfield Royal Navy

Mr B H Parsons FCA

Mr D W Russell

Mr A Siddall

Rear Admiral A G Watson, CBE

(Resigned 10 May 2007)

Trustees are initially recruited through personal contacts and advertisements. Interested individuals are then invited to an informal meeting with the Chairman and Vice Chairman. This is followed by a brief from the General Secretary on CESSAC's activities and then an invitation to attend the next Council meeting as an observer. Following this a formal invitation to join the Council is made if both they and the Council wish to continue. New trustees are co-opted until formal election is proposed to the members at the next AGM.

None of the Council has any beneficial interest in the company. All of the Council are members of the company and guarantee to contribute £1 in the event of a winding up.

The directors of the company are its trustees for the purpose of charity legislation and throughout this report are referred to collectively as the Council. The charity is governed by the Council, which meets twice a year. The Council is assisted in its day-to-day management responsibilities by the General Secretary.

CESSAC shares its Head Office with a sister organisation, CESSA Housing Association. Both have their own Boards of Trustees and operate independently.

The Council have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

# **CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS**

## **COUNCIL MEMBERS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2007**

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#### **Objectives and activities**

CESSAC's objectives are the operation of centres in military bases in support of the Armed Forces and the provision and management of sheltered housing for elderly ex-services people, their spouses, widows, widowers and immediate relatives

#### **Cyprus Centres**

The acquisition of the former YWCA Centre at Akrotiri in 2006 has helped to generate an increased level of incoming resources of approximately £500k during 2007. Whilst there has been considerable capital outlay on improving the décor and furnishings of the Cafeteria and the layout, fixtures and fittings of the shop at Akrotiri, indications are that the money has been well spent and both facilities are likely to deliver good results in 2008. Troop movements or rather lack of service people and their families in Episkopi have been reflected in the lower turnover there but Dhekelia has sustained its growth throughout the year.

#### **UK Centres**

All three centres have continued to face the implications of new MOD contractors being appointed to provide the on-site catering and amenity facilities. However CESSAC has been allowed to remain and operate and the licences to run mobile sandwich rounds have not as yet been withdrawn because of the high quality of our service and customer insistence that the quality level must not be compromised. The provision of lunch buffet services has continued to expand and the feedback from customers has been consistently favourable.

#### **Sheltered Housing**

CESSAC owns 14 flats at Glamis Court where a further 40 flats belong to CESSA Housing Association. Following Charity Commission agreement the CESSAC Council has decided to transfer the 14 flats to CESSA Housing Association on 1 January 2008. CESSAC continues to manage a further 96 sheltered flats on behalf of Greenwich Hospital, a Crown charitable trust, for a fee on a five-year contract (which is due for review in September 2008), although as two like-minded charitable bodies operating together, this fee is well below current commercial rates.

#### **Achievements and performance**

CESSAC's primary aim is to provide a service through its UK and Cyprus shops and cafes for military personnel, as well as their dependants in Cyprus. It is useful to measure this in terms of their combined turnover for the year which defines the use being made of them. It has increased year on year since 2000 from £658,491 at that time to the 2007 figure of £2,455,254, an increase of 270% although this does not take account of the effect of inflation.

#### **Financial review**

The overall loss for the year of £52,974 results from the Council's intention to spend more of the Charity's income from investment. To achieve this a total of £99,384 in grants were made including donations of £30,000 to the "Help the Heroes" charity and £55,617 to remodel two studio flats in CESSAC House. In activity terms gains on investments and exchange have generated an overall surplus of £164,268.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six months' expenditure. The Council considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

#### **Asset cover for funds**

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

# **CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS**

## **COUNCIL MEMBERS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2007***

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### **Disclosure of information to auditors**

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

### **Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Jones Avens be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the board of Council



Rear Admiral S R J Goodall CBE Chairman

Dated 15 May 2008

# **CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS**

## **STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES**

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The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the Council to prepare accounts for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period

In preparing those accounts, the Council are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Council are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

# **CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS**

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We have audited the accounts of Church of England Soldiers', Sailors' and Airmen's Clubs for the year ended 31 December 2007 set out on pages 7 to 22. These accounts have been prepared in accordance with the accounting policies set out on pages 11 to 12.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Council and auditors**

As described on page 4, the Council, who are also the directors of Church of England Soldiers', Sailors' and Airmen's Clubs for the purpose of company law, are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards (United Kingdom Generally Accepted Accounting Practice).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Council Members' Report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Council Members' Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

#### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 26 to the accounts.



# **CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**


### **TO THE MEMBERS OF CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS**

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#### **Opinion**

In our opinion

- the accounts give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 December 2007 and of its incoming resources and application of resources in the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Council Members' Report is consistent with the accounts



**Jones Avens**

Chartered Accountants

Registered Auditor

Piper House 4 Dukes Court

Bognor Road Chichester

West Sussex PO19 8FX

Dated 15 May 2008

# CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
<b><u>Incoming resources from generated funds</u></b>			
Voluntary income	2	987	696
Investment income	3	59,230	61,737
		<b>60,217</b>	<b>62,433</b>
Incoming resources from charitable activities	4	2,455,254	1,970,187
Other incoming resources	5	51,782	48,792
		<b>2,567,253</b>	<b>2,081,412</b>
<b><u>Resources expended</u></b>	6		
<b>Costs of generating funds</b>			
Fundraising and publicity costs		3,497	603
Investment management costs		500	500
		<b>3,997</b>	<b>1,103</b>
<b>Charitable activities</b>			
U K activities		553,247	516,743
Centres in Cyprus supporting H M Forces overseas		1,930,971	1,547,518
Sheltered housing for the elderly		102,984	39,923
		<b>2,587,202</b>	<b>2,104,184</b>
<b>Total charitable expenditure</b>			
Governance costs		29,028	23,062
		<b>2,620,227</b>	<b>2,128,349</b>
<b>Total resources expended</b>			
<b>Net outgoing resources</b>		<b>(52,974)</b>	<b>(46,937)</b>
<b>Other recognised gains and losses</b>			
Gains on investment assets		164,707	264,438
Exchange gains/(losses)		52,535	(21,568)
		<b>164,268</b>	<b>195,933</b>
<b>Net movement in funds</b>			
Fund balances at 1 January 2007		4,551,097	4,355,164
<b>Fund balances at 31 December 2007</b>		<b>4,715,365</b>	<b>4,551,097</b>

# CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS

## SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2007

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	2007 £	2006 £
Total income	2,567,253	2,081,412
Total expenditure from income funds	2,620,227	2,128,349
<b>Net expenditure for the year</b>	<b>(52,974)</b>	<b>(46,937)</b>

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The summary income and expenditure account is derived from the statement of financial activities on page 7 which, together with the notes on pages 11 to 22, provides full information on the movements during the year on all funds of the charity

## STATEMENT OF RECOGNISED GAINS AND LOSSES

<b>Net expenditure for the year</b>	<b>(52,974)</b>	<b>(46,937)</b>
Unrealised gains on investment assets held by income funds	164,707	264,438
Exchange gains/(losses)	52,535	(21,568)
	<b>164,268</b>	<b>195,933</b>

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# CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS

## BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	2007 £	£	2006 £	£
<b>Fixed assets</b>					
Tangible assets	14	829,171		795,143	
Investments	15	3,529,651		2,864,944	
		<u>4,358,822</u>		<u>3,660,087</u>	
<b>Current assets</b>					
Stocks		337,545		342,888	
Debtors	16	43,870		22,788	
Cash at bank and in hand		180,506		839,066	
		<u>561,921</u>		<u>1,204,742</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(205,378)</u>		<u>(313,732)</u>	
<b>Net current assets</b>		<u>356,543</u>		<u>891,010</u>	
<b>Total assets less current liabilities</b>		<u><u>4,715,365</u></u>		<u><u>4,551,097</u></u>	
<b>Income funds</b>					
Unrestricted funds					
Designated funds	20	2,612,747		2,613,186	
Other charitable funds					
Revaluation reserve		<u>2,102,618</u>		<u>1,937,911</u>	
		<u>2,102,618</u>		<u>1,937,911</u>	
		<u><u>4,715,365</u></u>		<u><u>4,551,097</u></u>	

The accounts were approved by the Board on 15 May 2008

  
Rear Admiral S R J Goodall CBE Chairman

  
Mr B H Parsons FCA

# CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
<b>Net cash (outflow)/inflow from operating activities</b>	<b>21</b>	<b>(49,734)</b>	<b>91,406</b>
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets	(108,826)	(122,396)	
Payments to acquire investments	(500,000)	-	
<b>Net cash outflow from capital expenditure and financial investment</b>		<b>(608,826)</b>	<b>(122,396)</b>
<b>Decrease in cash</b>	<b>22</b>	<b>(658,560)</b>	<b>(30,990)</b>

# CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2007

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### 1 Accounting policies

#### 1.1 Basis of preparation

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets

The accounts have been prepared in accordance with the Companies Act 1985 and the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000

#### 1.2 Incoming resources

Income from charitable trading activities principally represents retail sales and other income in CESSAC's Services Centre in Cyprus and at CESSAC Centres in Blandford Camp, HQ Land Command, Wilton and 14 Regiment Royal Artillery, Larkhill with other operating income arising from sheltered lettings and income fees for managing sheltered lettings, owned by other charitable bodies, for ex-members of HM Forces and their spouses

#### 1.3 Resources expended

Expenditure, which is charged on an accruals basis, is allocated between -

- expenditure incurred directly to the fulfilment of the Charity's objectives (direct charitable)
- expenditure incurred directly in providing sheltered housing for the elderly (sheltered housing)
- expenditure incurred directly in the effort to raise voluntary contributions (fundraising and publicity)
- expenditure incurred in supporting the charitable activities and in the governance of the charity
- expenditure incurred in funding grants and donations

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Freehold land is not depreciated

Freehold buildings	2% straight line basis
Leasehold property	over life of the lease
	(Cyprus improvements 10% straight line)
Furniture, fittings & equipment	10% straight line basis
Motor vehicles	25% straight line basis

#### 1.5 Investments

Investments are included at market value. The cost of quoted investments is shown by way of a note. Investment income received and accrued, including income tax recoverable, is taken to the credit of the income and expenditure account. Net gains and losses arising on revaluations and disposals during the year are included in the statement of financial activities.

#### 1.6 Stock

Stock is valued at the lower of cost and net realisable value

#### 1.7 Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

# CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

### 1 Accounting Policies

(continued)

#### 1 8 Foreign currency translation

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

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

#### 1 9 Taxation

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

#### 1 10 Reserves

Reserves have been established as follows

a A Short Term Tactical Reserve, which will include 3 months of typical expenditure by CESSAC UK, CESSAC Cyprus plus the Maintenance Reserve. This is to cover any short-term setbacks, cash flow difficulties or unexpected, large maintenance demands

b A Medium Term Opportunistic Reserve that will allow CESSAC to evolve and take advantage of strategic opportunities

c A Long Term Reserve to generate working income and growth to maintain its value. CESSAC UK Centres have difficulty in breaking even and this provides no incoming resources for donations and other expenses. This has absorbed the former Housing Reserve, should it ever be required for a new development. Current trends, however, indicate a declining demand for sheltered housing

Designated Maintenance Reserve (part of the Short Term Tactical Reserve)

All properties are maintained in good condition by a planned programme of repair and maintenance. External and internal redecoration is planned to take place every 3 to 5 years. Flats are redecorated and refurbished on a 5 years' rolling programme

This programme, and the experience of the last 10 years, allows the Company to operate without a committed provision for future repairs and maintenance. Actual costs incurred are normally charged to the income & expenditure account

However, the Company's prudent policy is to operate a Designated Maintenance Reserve to cover any future modernisation and major repair programmes

Designated Housing Reserve (now part of the Long Term Reserve)

This reserve is designated for the purchase of any suitable, freehold building land (of the required size and in the required location at the right price) that may come available

### 2 Voluntary income

	2007 £	2006 £
Donations and gifts	987	696

# CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

### 3 Investment income

	2007 £	2006 £
Income from listed investments	39,500	37,743
Interest receivable	19,730	23,994
	<u>59,230</u>	<u>61,737</u>

### 4 Incoming resources from charitable activities.

	2007 £	2006 £
UK Activities	495,281	473,157
Centres in Cyprus supporting HM Forces overseas	1,906,887	1,444,871
Rents receivable on sheltered housing	53,086	52,159
	<u>2,455,254</u>	<u>1,970,187</u>

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

#### Disposal of Glamis Court flats

14 flats at Glamis Court owned by CESSAC are to be transferred to CESSA Housing Association Limited (a charitable housing association) at nil consideration, effective 1 Jan 2008

These flats had income of £53,086 and expenditure of £47,367 in 2007 and this activity has been discontinued in CESSAC in 2008

### 5 Other incoming resources

	2007 £	2006 £
Management fees and office rent	<u>51,782</u>	<u>48,792</u>



# CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2007

#### 6 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2007 £	Total 2006 £
<b>Costs of generating funds</b>						
Fundraising and publicity costs	-	-	3,497	-	3,497	603
Investment management costs	-	-	500	-	500	500
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,997</b>	<b>-</b>	<b>3,997</b>	<b>1,103</b>
<b>Charitable activities</b>						
<u>U K activities</u>						
Activities undertaken directly	209,664	3,851	261,189	-	474,704	446,558
Grant funding of activities	-	-	-	34,167	34,167	27,220
Support costs	38,778	108	5,490	-	44,376	42,965
<b>Total</b>	<b>248,442</b>	<b>3,959</b>	<b>266,679</b>	<b>34,167</b>	<b>553,247</b>	<b>516,743</b>
<u>Centres in Cyprus supporting H M Forces overseas</u>						
Activities undertaken directly	496,729	91,845	1,303,361	-	1,891,935	1,510,438
Grant funding of activities	-	-	-	9,600	9,600	8,914
Support costs	21,543	60	7,833	-	29,436	28,166
<b>Total</b>	<b>518,272</b>	<b>91,905</b>	<b>1,311,194</b>	<b>9,600</b>	<b>1,930,971</b>	<b>1,547,518</b>
<u>Sheltered housing for the elderly</u>						
Activities undertaken directly	146	7,345	24,564	-	32,055	25,133
Grant funding of activities	-	-	-	55,617	55,617	-
Support costs	12,926	36	2,350	-	15,312	14,790
<b>Total</b>	<b>13,072</b>	<b>7,381</b>	<b>26,914</b>	<b>55,617</b>	<b>102,984</b>	<b>39,923</b>
	<b>779,786</b>	<b>103,245</b>	<b>1,604,787</b>	<b>99,384</b>	<b>2,587,202</b>	<b>2,104,184</b>
<b>Governance costs</b>	<b>12,926</b>	<b>916</b>	<b>15,186</b>	<b>-</b>	<b>29,028</b>	<b>23,062</b>
	<b>792,712</b>	<b>104,161</b>	<b>1,623,970</b>	<b>99,384</b>	<b>2,620,227</b>	<b>2,128,349</b>

Governance costs include amounts payable to the auditors of £2,488 (2006- £2,385) for audit fees and £3,042 (2006- £2,310) for other services

# CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

### 7 Activities undertaken directly

	2007 £	2006 £
Other costs relating to U K Activities comprise		
Cost of supplies	251,129	241,818
Operating costs	10,060	9,087
	<b>261,189</b>	<b>250,905</b>
Other costs relating to Centres In Cyprus Supporting H M Forces Overseas comprise		
Cost of supplies	1,111,451	857,778
Operating costs	185,010	120,337
Audit fees (Cyprus)	6,900	6,385
Exchange differences	-	(5,234)
	<b>1,303,361</b>	<b>979,266</b>
Other costs relating to Sheltered Housing For The Elderly comprise		
Repairs and maintenance	6,395	455
Service costs	18,169	17,150
	<b>24,564</b>	<b>17,605</b>

# CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

### 8 Grants payable

	2007 £	2006 £
U K activities	34,167	27,220
Centres in Cyprus supporting H M Forces overseas	9,600	8,914
Sheltered housing for the elderly	55,617	-
	<u>99,384</u>	<u>36,134</u>

CESSAC made the following donations in the UK

£3,167 Grants to CESSA Housing Association tenants for Christmas social functions  
 £55,617 Support to CESSAC House flat remodelling from the Sheridan legacy fund  
 £1,000 Study bursaries to former pupils of military schools  
 £30,000 Help for Heroes

CESSAC Cyprus made the following donations during the year, all in CY£

£1500 CESSAC Cup golf competition (5 awards of £300)  
 £600 Open Arms Cancer Support charity  
 £300 Army Benevolent Fund  
 £515 SSAFA various events  
 £118 Akrotiri ladies  
 £120 St John School Citizen award  
 £200 Girl Guides  
 £200 King Richard School CESSAC award  
 £200 Thrift Shop Pink Party  
 £200 Akrotiri Musical Tots  
 £500 Carter Cup Akrotiri  
 £200 Swmathon  
 £150 Wireless for the Blind  
 £283 Berlin Marathon  
 £150 Cyprus Young Cricketers  
 £575 St John Ambulance  
 £500 King Richard School, Kilimanjaro expedition  
 £250 UNFICYP hockey sponsor  
 £110 Akrotiri Ladies Bowling sponsor  
 £175 Nicosia children's party  
 Plus twelve smaller donations under £100 each, totalling £375

£55,617 was given to CESSA Housing Association to remodel two sheltered housing flats at CESSAC House. This was taken from the Sheridan legacy given to CESSAC and which had been ring fenced by the Council for use in one or two suitable major projects. The flats have appropriate acknowledgements displayed on the doors.

# CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

### 9 Support costs

	U K activities £	Centres in Cyprus supporting H M Forces overseas £	Sheltered housing for the elderly £	Total 2007 £	Total 2006 £
Head office and management costs	5,036	7,185	2,156	14,377	11,372
Travel and associated costs	454	648	194	1,296	2,690
Staff costs	38,778	21,543	12,926	73,247	71,495
Depreciation	108	60	36	204	364
	<u>44,376</u>	<u>29,436</u>	<u>15,312</u>	<u>89,124</u>	<u>85,921</u>

### 10 Governance costs

	2007 £	2006 £
Other governance costs comprise		
Legal and professional fees	6,311	1,273
Audit and accountancy fees (Head office, UK)	5,530	4,695
Committee costs and expenses	3,345	4,412
	<u>15,186</u>	<u>10,380</u>

### 11 Council

None of the Council (or any persons connected with them) received any remuneration during the year, but 6 of them were reimbursed a total of £1,429 travelling expenses (2006- 10 were reimbursed £2,886)

# CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

### 12 Employees

#### Number of employees

The average monthly number of employees during the year was

	2007 Number	2006 Number
Full time (UK)	15	18
Part time (UK)	11	6
Full time (Cyprus)	26	24
Part time (Cyprus)	40	38
	<u>92</u>	<u>86</u>

#### Employment costs

	2007 £	2006 £
Wages and salaries	741,821	686,375
Social security costs	43,182	29,464
Other pension costs	7,709	6,569
	<u>792,712</u>	<u>722,408</u>

There were no employees whose annual emoluments were £60,000 or more

### 13 Taxation

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

# CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

### 14 Tangible fixed assets

	Land and buildings	Furniture, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2007	1,019,904	354,672	65,304	1,439,880
Exchange difference	46,427	25,402	3,491	75,320
Additions	48,590	42,637	17,599	108,826
<b>At 31 December 2007</b>	<b>1,114,921</b>	<b>422,711</b>	<b>86,394</b>	<b>1,624,026</b>
<b>Depreciation</b>				
At 1 January 2007	361,606	229,200	53,931	644,737
Exchange difference	27,463	15,603	2,891	45,957
Charge for the year	58,054	36,554	9,553	104,161
<b>At 31 December 2007</b>	<b>447,123</b>	<b>281,357</b>	<b>66,375</b>	<b>794,855</b>
<b>Net book value</b>				
<b>At 31 December 2007</b>	<b>667,798</b>	<b>141,354</b>	<b>20,019</b>	<b>829,171</b>
At 31 December 2006	658,298	125,472	11,373	795,143

The net book value of land and buildings comprises:

	2007 £	2006 £
Freeholds	421,977	429,562
Short leaseholds (under 50 years)	245,821	228,736
	<b>667,798</b>	<b>658,298</b>

#### Disposal of Glamis Court flats

14 flats at Glamis Court owned by CESSAC are to be transferred to CESSA Housing Association Limited (a charitable housing association) at nil consideration, effective 1 Jan 2008

These flats have a cost of £447,902 and a carrying value of £411,177. The loss on this disposal of £411,177 will be reflected in the 2008 accounts.

This transfer has been approved by the Charity Commission. Formal legal advice was sought and implemented in terms of the transfer documentation.

# CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

### 15 Fixed asset investments

	Charinco Accumulation Units £	Charinco Distribution Units £	Charishare Accumulation Units £	Charishare Distribution Units £	Charles Stanley £	Total £
Market value at 1 January 2007	738,708	10,658	989,041	1,126,537	-	2,864,944
Acquisitions at cost	-	-	-	-	500,000	500,000
Change in value in the year	26,472	(222)	75,665	52,605	10,187	164,707
<b>Market value at 31 December 2007</b>	<b>765,180</b>	<b>10,436</b>	<b>1,064,706</b>	<b>1,179,142</b>	<b>510,187</b>	<b>3,529,651</b>
Historical cost						
At 31 December 2007	239,642	10,190	298,138	379,063	500,000	1,427,033
At 31 December 2006	239,642	10,190	298,138	379,063	-	927,033

### 16 Debtors

	2007 £	2006 £
Trade debtors	8,356	4,024
Prepayments and accrued income	35,514	18,764
	<b>43,870</b>	<b>22,788</b>

### 17 Creditors amounts falling due within one year

	2007 £	2006 £
Trade creditors	130,600	210,580
Taxes and social security costs	22,780	25,781
Accruals	51,998	77,371
	<b>205,378</b>	<b>313,732</b>

# CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2007

#### 18 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £7,709 (2006- £6,569). Contributions totalling £nil (2006- £nil) were payable to the fund at the year end and are included in creditors.

#### 19 Share capital

The charity is limited by guarantee and does not have a share capital.

#### 20 Designated funds

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

	Balance at 1 January 2007	Incoming resources	Movement in funds		Other gains/losses	Balance at 31 December 2007
	£	£	Resources expended	Transfers	£	£
Short term tactical reserve	661,000	-	-	-	-	661,000
Medium term opportunistic reserve	500,000	-	-	-	-	500,000
Long term reserves	3,390,097	-	-	(52,974)	217,242	3,554,365
Less revaluation reserve	(1,937,911)	-	-	-	(164,707)	(2,102,618)
	<u>2,613,186</u>	<u>-</u>	<u>-</u>	<u>(52,974)</u>	<u>52,535</u>	<u>2,612,747</u>

#### 21 Net cash (outflow)/inflow from operating activities

	2007 £	2006 £
Reconciliation to changes in resources		
Changes in resources before revaluations	(52,974)	(46,937)
Depreciation of tangible fixed assets	104,161	96,486
Decrease/(increase) in stocks	5,343	(95,660)
Increase in debtors	(21,082)	(1,744)
(Decrease)/Increase in creditors	(108,354)	151,028
Effect of exchange differences on stock, debtors and creditors	23,172	(11,767)
	<u>(49,734)</u>	<u>91,406</u>



# CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2007

22 Reconciliation of net cash flow to movement in net funds	2007 £	2006 £
Decrease in cash	(658,560)	(30,990)
Net funds at 1 January 2007	839,066	870,056
Net funds at 31 December 2007	180,506	839,066

23 Analysis of net cash balances	At 1 January 2007 £	Cash flow £	Non-cash changes £	At 31 December 2007 £
Cash at bank and in hand	839,066	(658,560)	-	180,506
	839,066	(658,560)	-	180,506

## 24 Commitments

Disposal of Glamis Court flats

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This transfer has been approved by the Charity Commission. Formal legal advice was sought and implemented in terms of the transfer documentation.

## 25 Related parties

CESSAC shares its Head Office with a sister organisation, CESSA Housing Association. Both have their own Boards of Trustees and operate independently.

## 26 Auditors' Ethical Standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are that, in common with many charities of our size and nature we use our auditors to assist with the preparation of the accounts.