

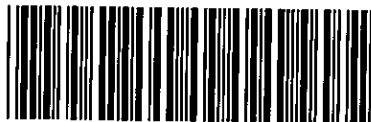
Charity Registration No. 226684

Company Registration No. 34118 (England and Wales)

**CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS
COUNCIL MEMBERS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008**



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

LEGAL AND ADMINISTRATIVE INFORMATION

Council	Rear Admiral S R J Goodall C B E Chairman Air Commodore M J Allisstone, CBE Brigadier C A Brown President Group Captain G Bowyer Commander G A Greaves Royal Navy Captain A C Long Royal Navy Commander P T Mayfield Royal Navy Mr B H Parsons FCA Mr D W Russell Mr A Siddall
Secretary	Commander M J Pearce Royal Navy
Charity number	226684
Company number	34118
Principal address	1 Shakespeare Terrace 126 High Street Portsmouth Hampshire PO1 2RH
Registered office	1 Shakespeare Terrace 126 High Street Portsmouth Hampshire PO1 2RH
Auditors	Jones Avens Piper House 4 Dukes Court Bognor Road Chichester West Sussex PO19 8FX
Bankers	Lloyds Bank Plc 38 London Road North End Portsmouth Hampshire PO2 0LR
Solicitors	Blake Lapthorn Tarlo Lyons Harbour Court, Compass Road North Harbour Portsmouth Hampshire PO6 4ST

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 2008

The Council present their report and accounts for the year ended 31 December 2008.

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 based 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 C B E 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 (Deceased 2 April 2008)
Captain A C Long Royal Navy
Commander P T Mayfield Royal Navy
Mr B H Parsons FCA
Mr D W Russell
Mr A Siddall

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 has assessed the major risks to which the charity is exposed, and is 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 2008

Objectives and activities

CESSAC's objectives are the operation of amenity 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

Although the number of servicemen serving in Cyprus has continued to diminish the growth of turnover in Cyprus has continued (by 33% to £2.524M) and in particular the Lady Lampton cafeteria in Akrotiri has produced noteworthy expansion of its trade. Meanwhile the centre at Dhekelia (which enjoys goodly ex-patriate usage) has held its own against a backdrop of the falling value of sterling against the euro. In November the overdue facelift of the Dhekelia cafeteria and kitchen was completed with minimum disruption.

UK Centres

All three centres have continued to face challenges from the MOD contractors that now provide the on-site catering and amenity facilities. However CESSAC has been allowed to remain in operation and the licences to run mobile sandwich rounds, whilst under constant scrutiny, have not yet been withdrawn thanks primarily to the quality of the service and customer insistence that quality must not be compromised. The number of lunch buffets has continued to increase and this service contributes substantially to the financial viability of the centres. A new coffee shop facility in the foyer of the HQ Land HQ building at Wilton has proved popular and is meeting business plan targets.

Housing

CESSAC continues to manage 92 sheltered flats at three sites on behalf of Greenwich Hospital, a Crown charitable trust, for a fee on a three year agreement. The agreement was reviewed and renewed in September 2008. Although we are two like-minded charitable bodies this fee has been renegotiated to come closer to 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 2008 figure of £3,025,702, an increase of 356% although this does not take account of the effect of inflation.

Financial review

The net outgoing resources for the year were £410,123 and this reflects the value of Block A Glamis Court (value £411,177) which was transferred to CESSA Housing Association on 1 January 2008. Other recognised losses and gains were a loss on investment value of £684,130 and gains on exchange of £224,154 which leads to a total net movement in funds loss of £870,099.

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 six month's turnover. 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 2008

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

A resolution proposing that Jones Avens be reappointed as auditors of the company will be put to the members.

On behalf of the board of Council



Rear Admiral S R J Goodall C B E Chairman

Dated: 14 May 2009

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

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

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

We have audited the accounts of Church of England Soldiers', Sailors' and Airmen's Clubs for the year ended 31 December 2008 set out on pages 7 to 23. 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

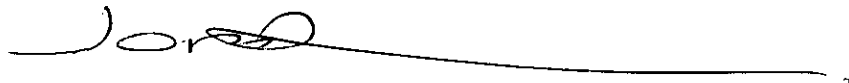
INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

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 2008 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: 14 May 2009

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

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
<u>Incoming resources from generated funds</u>			
Voluntary income	2	3,903	987
Investment income	3	59,123	59,230
		<u>63,026</u>	<u>60,217</u>
Incoming resources from charitable activities	4	3,025,702	2,455,254
Other incoming resources	5	60,168	51,782
		<u>3,148,896</u>	<u>2,567,253</u>
<u>Resources expended</u>	6		
Costs of generating funds			
Fundraising and publicity costs		116	3,497
Investment management costs		1,365	500
		<u>1,481</u>	<u>3,997</u>
Charitable activities			
U K activities		536,160	553,247
Centres in Cyprus supporting H M Forces overseas		2,583,839	1,930,971
Sheltered housing for the elderly		411,177	102,984
		<u>3,531,176</u>	<u>2,587,202</u>
Total charitable expenditure		<u>3,531,176</u>	<u>2,587,202</u>
Governance costs		26,362	29,028
		<u>3,559,019</u>	<u>2,620,227</u>
Total resources expended		<u>3,559,019</u>	<u>2,620,227</u>
Net outgoing resources		<u>(410,123)</u>	<u>(52,974)</u>
Other recognised gains and losses			
(Losses)/gains on investment assets		(684,130)	164,707
Exchange gains/(losses)		224,154	52,535
		<u>(870,099)</u>	<u>164,268</u>
Net movement in funds		<u>(870,099)</u>	<u>164,268</u>
Fund balances at 1 January 2008		4,715,365	4,551,097
		<u>4,715,365</u>	<u>4,551,097</u>
Fund balances at 31 December 2008		<u>3,845,266</u>	<u>4,715,365</u>

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

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 £	2007 £
Gross income	3,148,896	2,567,253
Loss on disposal of investment assets held by income funds	(414,486)	-
Total income	2,734,410	2,567,253
Total expenditure from income funds	3,559,019	2,620,227
Net expenditure for the year	(824,609)	(52,974)

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 23, provides full information on the movements during the year on all funds of the charity.

STATEMENT OF RECOGNISED GAINS AND LOSSES

Net expenditure for the year	(824,609)	(52,974)
Unrealised (losses)/gains on investment assets held by income funds	(269,644)	164,707
Exchange gains/(losses)	224,154	52,535
	(870,099)	164,268

NOTE OF HISTORICAL COST INCOME AND EXPENDITURE

	2008 £	2007 £
Reported net expenditure for the year	(824,609)	(52,974)
Realisation of investment asset revaluation gains of previous years	1,018,551	-
Historical cost net income/(expense)	193,942	(52,974)

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

BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	14	544,554		829,171	
Investments	15	2,836,224		3,529,651	
		<u>3,380,778</u>		<u>4,358,822</u>	
Current assets					
Stocks		510,426		337,545	
Debtors	16	30,646		43,870	
Cash at bank and in hand		207,417		180,506	
		<u>748,489</u>		<u>561,921</u>	
Creditors: amounts falling due within one year	17	<u>(284,001)</u>		<u>(205,378)</u>	
Net current assets		<u>464,488</u>		<u>356,543</u>	
Total assets less current liabilities		<u>3,845,266</u>		<u>4,715,365</u>	
Income funds					
Unrestricted funds:					
Designated funds	20	3,030,843		2,612,747	
Other charitable funds					
Revaluation reserve		814,423		2,102,618	
		<u>814,423</u>		<u>2,102,618</u>	
		<u>3,845,266</u>		<u>4,715,365</u>	

The accounts were approved by the Board on 14 May 2009


Rear Admiral S R J Goodall C B E Chairman


Mr B H Parsons FCA

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
Net cash inflow/(outflow) from operating activities	21	148,439	(49,734)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	(132,524)	(108,826)	
Payments to acquire investments	(1,074,591)	(500,000)	
Receipts from sales of tangible fixed assets	1,699	-	
Receipts from sales of investments	9,297	-	
Net cash outflow from capital expenditure and financial investment		(121,528)	(608,826)
Increase/(decrease) in cash	22	26,911	(658,560)

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

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2008

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

Leasehold property

Furniture, fittings & equipment

Motor vehicles

2% straight line basis

over life of the lease

(Cyprus improvements 10% straight line)

10% straight line basis

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 2008

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

The reserves policy was reviewed by the Finance and Audit Sub Committee in 2008 and following agreement reserves have been established as follows:

- a. An operating cost reserve equal to six months charitable activity (£1,250,000).
- b. A capital fund for future opportunities and investment.

2 Voluntary income

	2008 £	2007 £
Donations and gifts	3,903	987

3 Investment income

	2008 £	2007 £
Income from listed investments	57,697	39,500
Interest receivable	1,426	19,730
	59,123	59,230

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

4 Incoming resources from charitable activities

	2008 £	2007 £
UK Activities	479,904	495,281
Centres in Cyprus supporting HM Forces overseas	2,545,798	1,906,887
Rents receivable on sheltered housing	-	53,086
	<u>3,025,702</u>	<u>2,455,254</u>

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

Sheltered housing - 14 flats at Glamis Court owned by CESSAC were 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

	2008 £	2007 £
Net gain on disposal of fixed assets	1,699	-
Management fees and office rent	58,469	51,782
	<u>60,168</u>	<u>51,782</u>

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

6 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2008 £	Total 2007 £
Costs of generating funds						
Fundraising and publicity costs	-	-	116	-	116	3,497
Investment management costs	-	-	1,365	-	1,365	500
Total	-	-	1,481	-	1,481	3,997
Charitable activities						
<u>U K activities</u>						
Activities undertaken directly	213,883	4,918	236,466	-	455,267	474,704
Grant funding of activities	-	-	-	27,013	27,013	34,167
Support costs	45,586	488	7,806	-	53,880	44,376
Total	259,469	5,406	244,272	27,013	536,160	553,247
<u>Centres in Cyprus supporting H M Forces overseas</u>						
Activities undertaken directly	723,556	128,684	1,663,888	-	2,516,128	1,891,935
Grant funding of activities	-	-	-	31,721	31,721	9,600
Support costs	24,944	268	10,778	-	35,990	29,436
Total	748,500	128,952	1,674,666	31,721	2,583,839	1,930,971
<u>Sheltered housing for the elderly</u>						
Activities undertaken directly	-	411,177	-	-	411,177	32,055
Grant funding of activities	-	-	-	-	-	55,617
Support costs	-	-	-	-	-	15,312
Total	-	411,177	-	-	411,177	102,984
	1,007,969	545,535	1,918,938	58,734	3,531,176	2,587,202
Governance costs	15,482	168	10,712	-	26,362	29,028
	1,023,451	545,703	1,931,131	58,734	3,559,019	2,620,227

Governance costs include amounts payable to the auditors of £2,560 (2007- £2,488) for audit fees and £3,429 (2007- £3,042) for other services.

Sheltered housing for the elderly - 14 flats at Glamis Court owned by CESSAC were transferred to CESSA Housing Association Limited (a charitable housing association) at nil consideration, effective 1 Jan 2008. These flats had a cost of £447,902 and a carrying value of £411,177. The loss on this disposal of £411,177 is reflected above.

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

7 Activities undertaken directly

	2008 £	2007 £
Other costs relating to U K Activities comprise:		
Cost of supplies	222,064	251,129
Operating costs	14,402	10,060
	<u>236,466</u>	<u>261,189</u>
Other costs relating to Centres In Cyprus Supporting H M Forces Overseas comprise:		
Cost of supplies	1,439,775	1,111,451
Operating costs	223,348	185,010
Audit fees (Cyprus)	11,195	6,900
Exchange differences	(10,430)	-
	<u>1,663,888</u>	<u>1,303,361</u>
Other costs relating to Sheltered Housing For The Elderly comprise:		
Repairs and maintenance	-	6,395
Service costs	-	18,169
	<u>-</u>	<u>24,564</u>

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

8 Grants payable

	2008 £	2007 £
U K activities	27,013	34,167
Centres in Cyprus supporting H M Forces overseas	31,721	9,600
Sheltered housing for the elderly	-	55,617
	<u>58,734</u>	<u>99,384</u>

CESSAC made the following donations in the UK:

£3,500 Grants to CESSA Housing Association tenants for Christmas social functions
 £1,448 Support to CESSAC House flat remodelling from the Sheridan legacy fund
 £3,000 Study bursaries to former pupils of military schools
 £10,000 Combat Stress
 £10,000 Queen Alexandra Hospital Home

CESSAC Cyprus made the following donations during the year, all in Euro's:

€200 JR's
 €900 WRVS
 €1,000 HIVE
 €2,000 Homestart
 €500 Parent & Toddler
 €500 Breastfeeding
 €300 Musical Tots
 €500 Bike Club
 €600 Guides
 €3,950 Youth Club
 €500 Turtles
 €1,200 RMP
 €500 Scouts
 €230 Shack
 €1,500 Creche
 €2,000 2 Lancs
 €1,000 Sharks Swimming Club
 €500 Garrison Netball
 €200 DPS Road Safety
 €300 Station Road Safety
 €500 Little Teddies Creche
 €800 Scouts Wood
 €150 Argos Animal Sanctuary
 €150 BFAWS Kennels
 €200 Key Cinema
 €350 Saddle Club

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

9 Support costs

	U K activities	Centres in Cyprus supporting H M Forces overseas	Total 2008	Total 2007
	£	£	£	£
Head office and management costs	7,164	9,892	17,056	14,377
Travel and associated costs	642	886	1,528	1,296
Staff costs	45,586	24,944	70,530	73,247
Depreciation	488	268	756	204
	<u>53,880</u>	<u>35,990</u>	<u>89,870</u>	<u>89,124</u>

10 Governance costs

	2008 £	2007 £
Other governance costs comprise:		
Legal and professional fees	3,097	6,311
Audit and accountancy fees (Head office, UK)	5,989	5,530
Committee costs and expenses	1,626	3,345
	<u>10,712</u>	<u>15,186</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 £729 travelling expenses (2007- 6 were reimbursed £1,429).

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2008 Number	2007 Number
Full time (UK)	17	15
Part time (UK)	10	11
Full time (Cyprus)	23	26
Part time (Cyprus)	30	40
	<u>80</u>	<u>92</u>

Employment costs

	2008 £	2007 £
Wages and salaries	963,665	741,821
Social security costs	54,748	43,182
Other pension costs	5,038	7,709
	<u>1,023,451</u>	<u>792,712</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 2008

14 Tangible fixed assets

	Land and buildings	Furniture, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2008	1,114,921	422,711	86,394	1,624,026
Exchange difference	211,702	120,134	20,427	352,263
Additions	61,847	41,212	29,465	132,524
Disposals	(447,902)	-	(14,181)	(462,083)
At 31 December 2008	940,568	584,057	122,105	1,646,730
Depreciation				
At 1 January 2008	447,123	281,357	66,375	794,855
Exchange difference	132,253	76,944	14,504	223,701
On disposals	(36,725)	-	(14,181)	(50,906)
Charge for the year	76,177	40,072	18,277	134,526
At 31 December 2008	618,828	398,373	84,975	1,102,176
Net book value				
At 31 December 2008	321,740	185,684	37,130	544,554
At 31 December 2007	667,798	141,354	20,019	829,171

The net book value of land and buildings comprises:

	2008 £	2007 £
Freeholds	10,560	421,977
Short leaseholds (under 50 years)	311,180	245,821
	321,740	667,798

Disposal of Glamis Court flats:

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

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

This transfer was 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 2008

15 Fixed asset investments

	Charinco Units £	Charishare Units £	Cash Instruments £	Charles Stanley £	Total £
Market value at 1 January 2008	775,616	2,243,848	-	510,187	3,529,651
Disposals at opening book value	(134,102)	(1,364,272)	-	-	(1,498,374)
Acquisitions at cost	-	-	1,074,591	-	1,074,591
Change in value in the year	64,011	(291,182)	-	(42,473)	(269,644)
Market value at 31 December 2008	705,525	588,394	1,074,591	467,714	2,836,224
Historical cost:					
At 31 December 2008	200,912	246,298	1,074,591	500,000	2,021,801
At 31 December 2007	249,832	677,201	-	500,000	1,427,033

16 Debtors

	2008 £	2007 £
Trade debtors	3,934	8,356
Prepayments and accrued income	26,712	35,514
	30,646	43,870

17 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	209,498	130,600
Taxes and social security costs	23,571	22,780
Accruals	50,932	51,998
	284,001	205,378

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

18 Pension and other post-retirement benefit commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £5,038 (2007- £7,709). Contributions totalling £nil (2007- £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:

	Movement in funds					
	Balance at 1 January 2008	Incoming resources	Resources expended	Transfers	Other gains/losses	Balance at 31 December 2008
	£	£	£	£	£	£
Short term tactical reserve	661,000	-	-	(661,000)	-	-
Medium term opportunistic reserve	500,000	-	-	(500,000)	-	-
Long term reserves	3,554,365	-	-	(3,554,365)	-	-
Operating cost reserve	-	-	-	1,250,000	-	1,250,000
Capital fund for future opportunities	-	-	-	3,055,242	(459,976)	2,595,266
Less revaluation reserve	(2,102,618)	-	-	604,065	684,130	(814,423)
	<u>2,612,747</u>	<u>-</u>	<u>-</u>	<u>193,942</u>	<u>224,154</u>	<u>3,030,843</u>

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

21	Net cash inflow/(outflow) from operating activities	2008	2007		
		£	£		
	Reconciliation to changes in resources				
	Changes in resources before revaluations	(410,123)	(52,974)		
	Depreciation of tangible fixed assets	134,526	104,161		
	Loss on disposal of tangible fixed assets	409,478	-		
	Increase/(decrease) in stocks	(172,881)	5,343		
	Decrease/(increase) in debtors	13,224	(21,082)		
	Increase/(decrease) in creditors	78,623	(108,354)		
	Effect of exchange differences on stock, debtors and creditors	95,592	23,172		
		<u>148,439</u>	<u>(49,734)</u>		
22	Reconciliation of net cash flow to movement in net funds	2008	2007		
		£	£		
	Increase/(decrease) in cash	26,911	(658,560)		
	Net funds at 1 January 2008	180,506	839,066		
	Net funds at 31 December 2008	<u>207,417</u>	<u>180,506</u>		
23	Analysis of net cash balances				
		At 1 January 2008	Cash flow	Non-cash changes	At 31 December 2008
		£	£	£	£
	Cash at bank and in hand	180,506	26,911	-	207,417
		<u>180,506</u>	<u>26,911</u>	<u>-</u>	<u>207,417</u>

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

24 Commitments

Disposal of Glamis Court flats:

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

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

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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.