

6/4/2

Charity Registration No. 226684

Company Registration No. 00034118 (England and Wales)

**CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

SATURDAY



\*A54KUVV7\*

A30

09/04/2016

#155

COMPANIES HOUSE

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

## LEGAL AND ADMINISTRATIVE INFORMATION

---

**Chief Executive Officer** Commander P C Keefe RN

**Secretary** Commander P C Keefe RN

**Charity number** 226684

**Company number** 00034118

**Principal address** 1 Shakespeare Terrace  
126 High Street  
Portsmouth  
Hampshire  
PO1 2RH

**Registered office** 1 Shakespeare Terrace  
126 High Street  
Portsmouth  
Hampshire  
PO1 2RH

**Auditors** Jones Avens Limited  
Piper House  
4 Dukes Court  
Bognor Road  
Chichester  
West Sussex  
PO19 8FX

**Bankers** Lloyds Bank Plc  
38 London Road  
North End  
Portsmouth  
Hampshire  
PO2 0LR

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

---

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

## CONTENTS

---

	<b>Page</b>
Council Members' report	1 - 7
Independent auditor's report	8 - 9
Statement of financial activities	10
Balance sheet	11
Notes to the accounts	13 - 28

---

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

## COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2015

---

The Council members present their report and accounts for the year ended 31 December 2015.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)".

#### Objectives and activities

The Church of England Soldiers', Sailors' and Airmen's Clubs (short title: CESSAC) originated in Aldershot in 1857 to provide an alcohol-free, non-proselytising home-from-home for soldiers. Its founding precept (circa 1881) included its intention: "to provide for the Nation's soldiers, places where they can resort and find rest and healthy recreation and where they can associate on terms of friendly intercourse". The success of the original facility resulted in many others being opened over the years (and many closing again to match changing demand). Apart from the fact that the charity's reach has extended to cover sailors and then airmen, that precept remains as true today. CESSAC's principal aims are still, therefore, the operation of homely, welcoming amenity centres in military bases in support of the Armed Forces and the promotion of the latter's efficiency. At 31 December 2015, there were 10 such centres, 4 in one group (all in Cyprus) and another group with 3 in UK, 2 in Germany and one in the Falklands.

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

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

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

The Council members have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. The Council members completed a strategic review in 2015 from which they confirmed that the objects (see page 7) did not need to be revised and established clear priorities for the development of detailed business plans.

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

## COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

---

Due to the nature of CESSAC and its objects, its activities have already been described above; mainly the operation of its amenity centres and ongoing support to CESSA HA and GHSH, as well as other eligible charities. Significant grants are only made when funds permit. While CESSAC welcomes volunteers, particularly in places like the Falklands, the nature of its work generally results in reliance on paid staff.

In 2012 the charity loaned CESSA HA £520,000 as a social investment at a reduced interest rate that enabled the latter to save money by redeeming its expensive mortgages (taken out when rates were over 10%). This arrangement also provides a better income for the charity than is currently available from its deposit accounts. Accordingly, the remaining balance of this beneficial loan is recorded as a Designated Fund (Note 23).

### **Strategic report**

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Council members to present a strategic report.

### **Achievements and performance**

**General.** 2015 has necessarily been a year of consolidation for the new centres, as predicted. Meanwhile five new CESSAC members were recruited, two of whom have since become directors. Meanwhile the Business Plan developed in 2014 has led to a new Strategic one in 2015, bringing more coherent and all-encompassing Aims & Objectives. CESSAC completed work with Greenwich Hospital on the review of the new five year management agreement, and has developed a Strategic Plan for its sheltered housing. Head Office has embarked on the process to achieve the organisation's start date for pension auto-enrolment in November 2016. The Welfare Amenities Committee (WAC) undertook its annual review of centre performance, confirming the continued relevance and charitable output of all of them. The study award system continues with 3 payments made, one to a sponsored ordinand from the Services. Meanwhile CEO continues to represent CESSAC at meetings of CVWW and the Confederation of Service Charities, Cobseo. These continue to provide invaluable information, insight and opportunities to work with other charities.

**Centres in UK, Germany and Falklands.** These are straightforward coffee shops or cafes providing a homely and welcoming environment for Service personnel and their families, often adjacent to recreational facilities and/or the chaplaincy. Accordingly, each has a relatively modest turnover, with the Falklands' the highest at £79,000. The Oasis continues to provide essential provision in the Falklands with the statistics to prove it. In Germany, Monty's at Bielefeld continues to perform strongly, while Bluebells' at Paderborn only opened fully in January 2015. This has taken a while to 'bed in' and has therefore generated some losses, but it is improving and providing much needed support.

Before becoming CESSAC's Area Manager Germany, Margaret Ball was pivotal in all the centre openings in the last 10 years, and she was justly awarded a well-deserved MBE in 2015's Birthday honours. Margaret's former role in UK has been successfully taken up by Dave Smith since January 2015, and he has had much to contend with.

At Blandford, it started with a period of closure, destroyed stock and much cleaning due to a test result that had wrongly (it emerged) concluded there was an E. coli risk from a local outbreak. Later, an electrical problem required the closure of several buildings, including the Rendezvous, from May until October. Compensation of over £13K has been applied for, but any long term effect of these events will only become clear in 2016. There have been a number of challenges at Worthy Down, but thanks to hard work better is hoped for in 2016 as it draws ever closer to 2018 when the numbers in the camp are due to triple. Matilda's at Bovington continues to meet a need there, but losses continue to be higher than hoped for. Unfortunately a revitalised competing contract catering facility opened near the Soulfood Cafe at RAF Lossiemouth. Furthermore, the station plans changed and did not include the need for a CESSAC cafe, and sadly it therefore was asked to close its doors in May.

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

## COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**Centres in Cyprus.** Unlike the other centres, all four of CESSAC's locations in Cyprus include shops selling a permitted variety of often UK-sourced goods difficult to otherwise obtain. It has been reported previously that the turnover in the shops is being reduced by the rise of internet shopping and this has continued this year. The effects are being monitored carefully, because it is more difficult to justify running any shop at a loss than a cafe.

All four centres remain well supported by the Command chain and valued by the thousands of UK Service personnel and their families, generating £1,131,213 of turnover this year. 2015 started badly when a huge storm ripped the roof covering off the centre at Dhekelia and caused so much damage to one of the neighbouring roads that access was restricted for 2 months. Despite the loss of turnover there and the need to fund those and other overdue repairs elsewhere, the financial situation for CESSAC Cyprus improved markedly over 2015. That this has been achieved despite the falling turnover and the difficult economic circumstances speaks volumes for the commitment of the staff. This was further displayed during a strike by security personnel at Akrotiri when some CESSAC staff volunteered to stay with Team Leader Michelle overnight so that they could ensure the centre would open as usual the following morning (unlike some of the other facilities).

It is also worth highlighting again the significant usage of Lady Lampson's cafe at RAF Akrotiri, which is still proving very popular with the many extra RAF personnel deployed there for operations over Iraq, and now Syria too. The Dhekelia fair was successfully delivered as usual, despite a weather worry, and again nearly €4,000 raised for local charities. It has also been an unusually good year for our centre at Nicosia, whose usage is significantly affected by the approach taken by units deployed there and who change every 6 months. 3 SCOTS blazed the trail from April till October, when the baton was passed successfully to 1 SCOTS. This continued level of use cannot be assumed for 2016. Additionally, thanks to the 4 team leaders agreeing to take on more work on the electronic point of sale system, it was possible to reduce Cyprus overheads by combining two posts.

**Ex-Service personnel & their dependants.** CESSAC has continued to enable CESSA HA to make savings through sharing a Head Office and staff and managed 91 sheltered flats at three sites on behalf of Greenwich Hospital. It has also again funded an annual Christmas meal for the tenants of all CESSA HA schemes.

**Fundraising.** CEO successfully applied to the Army Central Fund again for some of the urgent repairs identified in Cyprus; their generous contribution of £16,800 can be seen as a 'Restricted' fund received and mostly expended in year.

**Investment performance.** The investment elements have performed well from a historical perspective. The small gain of £12,129 in value this year is not surprising given market conditions since the Summer. However, this is swamped by the £114,858 received in income from the investments in the same period, the increase over 2014 being largely attributable to the Council's decision to change all the BlackRock holdings into Armed Forces Common Investment Fund (AFCIF) distribution units.

### **Financial review**

The results for the year are set out on page 10. The overall net costs were lower than expected and considered fully justified in support of CESSAC's charitable objectives. It has also been helpful that changes within CVWW have released another £5,659, which mainly accounts for the 'voluntary income' (Note 3), although there was also a significant donation from Bielefeld station in gratitude for CESSAC's work. Head Office has continued to play its part in keeping costs down and supporting all the operations and governance, including introducing more comprehensive Policies & Procedures and in a new system. This is illustrated at Note 10, where it can be seen that support costs are low. The increase in staff costs is partially attributable to the directors' decision to restore the historical value of CEO's salary (see Note 13).

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

## COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

---

The Council, through the WAC, keeps a close check on the operating position illustrated in the 'net incoming/ (outgoing) resources', which is a financial indicator of operating performance. The surplus of £14,509 for 2015 is a tremendous achievement, compared with the loss of £98,338 the year before, and the first surplus from operations for very many years. About £25K of this improvement is due to lower depreciation charges as historic capital expenditure is paid off, but the rest is thanks to lower costs and improved performance, particularly in Cyprus.

It is significant that the only reason the 'Net movement in funds' then shows a loss of £210 for 2015 is due to an 'exchange loss' of £14,719. It is important to highlight that this 'loss' would only be realised if trying to return everything it applies to into sterling, which there are no plans to do. Indeed, items like the stock in Cyprus and Germany are generally bought and sold in euros.

**Reserves Policy.** The reserves policy was reviewed in 2015 and operational reserves maintained at 9 months' of turnover, £1,250,000, to cover the number of centres and dispersion of cash between different banks/currencies. Other reserves are maintained to fund repairs/improvements of the Clubs and/or make donations in furtherance of the charity's aims (see Note 23). However, since the trading income alone has been insufficient to fund centre operations for some years, the charity expects to continue to use income from investments to enable the charitable output to continue.

**Investment policy.** The Council members ensure that the capital held by CESSAC is invested prudently and conservatively over the long term for the ultimate benefit of meeting its objectives. Their policy is to increase both capital and income from the investments over the long term. The reserves are invested across a number of financial institutions, the greater part is in Armed Forces Common Investment Fund units, currently managed by BlackRock, with most of the rest in a Charles Stanley discretionary managed portfolio at medium low risk. The remainder (about £100K) is in a Virgin Money Charity Deposit Account at 1%.

### **Principle risks and uncertainties**

The Council members have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. They have taken a risk-based approach to controls, including directing members to undertake internal audits. The most significant risks to the charity relate to investments, since little capital is tied up in any individual centre. The Council keeps the investments under review, but follows a policy of spreading them at medium to low risk as described in the Investment Policy.

Over the charity's 125 years, it has usually been alterations in the Armed Forces that have both presented new opportunities and/or caused existing centres to close. It is for this reason that most current centres have not received significant capital and are developed with the assistance of the relevant establishment and funding sought from other sources. Therefore, the success or failure of individual centres is unlikely to present a significant risk. Nevertheless, the Defence Review undertaken since the 2015 election has changed the environment little from CESSAC's point of view, while many of the decisions taken five years before are still being implemented. It seems unlikely therefore that any further changes would be a threat to existing centres during this Parliament (2020).

While sustained losses in centres that cannot be justified by the charitable benefit could result in painful withdrawals, performance continues to improve and need not threaten the viability of the charity as a whole. Loss of the Greenwich Hospital contract would deprive the charity of some income and the economies inherent in shared facilities. This is mitigated by demonstrating the efficiency and added value provided to the management of the sheltered housing. The policy was revised in 2015 and the entire risk register transferred to a new format based on a detailed risk matrix. A clear system is operated to ensure that every risk is reviewed either by Council or WAC at least annually.

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

## COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

---

### Plans for the future

It was agreed that CESSAC's operations would benefit from an external review in 2016. Through Cobseo, CEO managed to source an individual who recently ran, then transformed, the organisation of hundreds of charitable shops & cafes for the Royal Voluntary Service. The Council members agreed to hire her to undertake the external review that was completed in March and her report has just been received with interest. Through membership of CVWW, CESSAC has been invited to open a new centre at Colchester and it is hoped to achieve this by mid year. The Council has agreed to replace the Annual Review with a shorter, more focussed Impact Statement, the first of which will be produced this year, together with a different approach to briefing the Annual General Meeting and other stakeholders. All the computers on Windows 7 need to be upgraded to Windows 10 by July and any older ones replaced. CEO will continue work with Greenwich Hospital to develop its sheltered housing Strategic Plan – which has already resulted in it taking a different approach to rent in 2016. Head Office will need to ensure the organisation's start date for pension auto-enrolment is met in November. Whilst CESSAC does not intend to become a major fund raising charity, it plans to advertise that it is a charitable organisation and to make available facilities to enable donations to be received.

### Structure, governance and management

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

CESSAC is governed by the Council, which currently meets four times a year. The WAC is directly accountable to the Council for the policy, administration and direction of the centres. The WAC meets 3 times a year and reports its activities at the next Council meeting and seeks approval for any strategic decisions. The Council and WAC are assisted in their responsibilities by the Chief Executive Officer (CEO) who manages the operations and personnel.

None of the Council members has any beneficial interest in the company. All of the Council members are members of the company and guarantee to contribute £1 in the event of a winding up. Trustees are insured for up to £500K as part of a portfolio of policies, currently with Markel (UK) Ltd.

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

Rear Admiral A R Rymer (Chairman)

Air Commodore M J Allisstone CBE RAF (Retired 15 June 2015)

Commander S F Carter RN

Air Commodore D J Hamilton-Rump RAF

Commander P T Mayfield RN

Commander A E Mizen RN

Mr B H Parsons FCA

Colonel C E H Ackroyd TD RD DL (Appointed 25 January 2016)

Mr A J Cobb (Appointed 25 January 2016)

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



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

## COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

---

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

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

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

### **Asset cover for funds**

Note 24 sets out an analysis of the assets attributable to the various funds. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

### **Statement of Council members' responsibilities**

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

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

In preparing these accounts, the Council members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

### **Auditors**

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

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

## COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

---

### Registered charitable objects

The objects for which the Charity is established are:

- (i) To open, carry on, establish and maintain Church of England Soldiers', Sailors' and Airmen's Clubs or Centres in military stations and other places at home and abroad, and to assist local or other efforts to open, carry on, establish and maintain such clubs or centres.
- (ii) To further the religious and charitable work of the Church of England amongst those serving in H.M. Forces.
- (iii) To relieve persons who have served in H.M. Forces and the dependants of such persons as are in need of assistance including the provision and management of housing.
- (iv) To promote the efficiency of H.M. Forces by the provision of facilities and equipment for educational, recreation and leisure pursuits for those serving in H.M. Forces, whether at Church of England Soldiers', Sailors' and Airmen's Clubs or Centres or elsewhere and whether at home or abroad.

### Disclosure of information to auditors

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

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



**Rear Admiral A R Rymer (Chairman)**

Council Member

Dated: 6 April 2016

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

## **INDEPENDENT AUDITOR'S REPORT**

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

---

We have audited the financial statements of Church of England Soldiers', Sailors' and Airmen's Clubs for the year ended 31 December 2015 set out on pages 10 to 28. 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), including Financial Reporting Standard 102.

This report is made solely to the charity's Council members', as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Council 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

As explained more fully in the statement of Council members' responsibilities set out on pages 1 - 7, the Council members, who are also the directors of Church of England Soldiers', Sailors' and Airmen's Clubs for the purposes of company law are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The Council members have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including "APB Ethical Standard – Provisions Available for Small Entities (Revised)", in the circumstances set out in note 21 to the financial statements.

#### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council members; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Council Members' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on accounts.**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 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.

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

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

---

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Council Members' Report is inconsistent in any material respect with the accounts; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### Other matter

Your attention is drawn to the fact that the charity has prepared accounts in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.



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

6 April 2016

**Chartered Accountants**  
**Statutory Auditor**

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

Jones Avens Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
<b><u>Income and endowments from:</u></b>					
Voluntary income	3	5,917	16,800	22,717	28,026
Charitable activities	4	1,364,702	-	1,364,702	1,462,950
Investments	5	114,858	-	114,858	83,870
Other income	6	91,244	-	91,244	81,506
<b>Total income and endowments</b>		<b>1,576,721</b>	<b>16,800</b>	<b>1,593,521</b>	<b>1,656,352</b>
<b><u>Expenditure on:</u></b>					
Raising funds	7	5,674	-	5,674	3,854
Charitable activities	8	1,582,740	2,727	1,585,467	1,754,514
<b>Total resources expended</b>		<b>1,588,414</b>	<b>2,727</b>	<b>1,591,141</b>	<b>1,758,368</b>
Net gains on investments	14	12,129	-	12,129	3,678
<b>Net incoming/(outgoing) resources before transfers</b>		<b>436</b>	<b>14,073</b>	<b>14,509</b>	<b>(98,338)</b>
Gross transfers between funds	22	8,633	(8,633)	-	-
<b>Net incoming/(outgoing) resources</b>		<b>9,069</b>	<b>5,440</b>	<b>14,509</b>	<b>(98,338)</b>
<b><u>Other recognised gains and losses</u></b>					
Exchange gains or losses		(14,761)	42	(14,719)	(31,241)
<b>Net movement in funds</b>		<b>(5,692)</b>	<b>5,482</b>	<b>(210)</b>	<b>(129,579)</b>
Fund balances at 1 January 2015		3,440,521	-	3,440,521	3,570,100
<b>Fund balances at 31 December 2015</b>		<b>3,434,829</b>	<b>5,482</b>	<b>3,440,311</b>	<b>3,440,521</b>

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

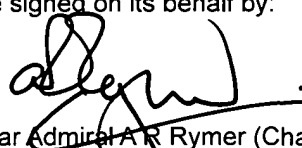
# CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS

## BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	15	62,971		80,233	
Investments	16	2,877,571		2,901,569	
		<u>2,940,542</u>		<u>2,981,802</u>	
<b>Current assets</b>					
Stocks	18	168,727		169,559	
Debtors	19	42,833		27,823	
Cash at bank and in hand		362,383		405,327	
		<u>573,943</u>		<u>602,709</u>	
<b>Creditors: amounts falling due within one year</b>	20	74,174		143,990	
		<u></u>		<u></u>	
Net current assets		499,769		458,719	
<b>Total assets less current liabilities</b>		<u>3,440,311</u>		<u>3,440,521</u>	
<b>Income funds</b>					
Restricted funds	22	5,482		-	
Designated funds	23	3,434,829		3,440,521	
		<u></u>		<u></u>	
Unrestricted funds		3,434,829		3,440,521	
		<u>3,440,311</u>		<u>3,440,521</u>	

The financial statements were approved by the board of directors and authorised for issue on 6 April 2016 and are signed on its behalf by:

  
Rear Admiral A R Rymer (Chairman)  
Council Member

  
Mr B H Parsons FCA  
Council Member

Company Registration No. 00034118

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

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	25		(175,017)		(96,999)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(12,332)		(25,454)	
Proceeds on disposal of tangible fixed assets		80		2,374	
Repayment of investment loans and receivables		29,076		28,367	
Purchase of other investments		(1,763,264)		(263,969)	
Proceeds on disposal of other investments		1,770,315		210,934	
Interest received		114,858		83,870	
<b>Net cash generated from investing activities</b>			138,733		36,122
<b>Net cash used in financing activities</b>			-		-
<b>Net decrease in cash and cash equivalents</b>			(36,284)		(60,877)
Cash and cash equivalents at beginning of year			405,327		474,845
Effect of foreign exchange rates			(6,660)		(8,641)
<b>Cash and cash equivalents at end of year</b>			362,383		405,327

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

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2015**

---

### **1 Accounting policies**

#### **Company information**

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

#### **1.1 Accounting convention**

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

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

These accounts for the year ended 31 December 2015 are the first accounts of Church of England Soldiers', Sailors' and Airmen's Clubs prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### **1.2 Going concern**

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

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the Council members in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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

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

#### **1.4 Incoming resources**

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

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



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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

---

### **1 Accounting policies**

**(Continued)**

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

#### **1.5 Resources expended**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

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

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 10.

#### **1.6 Tangible fixed assets**

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

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

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

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

---

### 1 Accounting policies

(Continued)

#### 1.7 Fixed asset investments

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

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

#### 1.8 Impairment of fixed assets

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

#### 1.9 Stocks

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

#### 1.10 Cash and cash equivalents

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

#### 1.11 Financial instruments

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

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

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Other financial assets**

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

---

### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

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

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

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

#### ***Derecognition of financial assets***

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

#### ***Basic financial liabilities***

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

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

#### ***Other financial liabilities***

Other financial liabilities, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

#### ***Derecognition of financial liabilities***

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

---

### **1 Accounting policies**

**(Continued)**

#### **1.12 Employee benefits**

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

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

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

#### **1.13 Retirement benefits**

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

#### **1.14 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

#### **1.15 Foreign exchange**

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

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

#### **1.16 Taxation**

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

### **2 Critical accounting estimates and judgements**

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 3 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Donations and gifts	5,917	-	5,917	13,601
The Army Central Fund	-	16,800	16,800	14,425
	<u>5,917</u>	<u>16,800</u>	<u>22,717</u>	<u>28,026</u>
<b>For the year ended 31 December 2014</b>	<u>13,601</u>	<u>14,425</u>		<u>28,026</u>

### 4 Charitable activities

	Supporting HM Forces in the UK and supporting HM overseas £	Centres in Cyprus and supporting HM Forces overseas £	Total £	2014 £
Sales within charitable activities	<u>233,489</u>	<u>1,131,213</u>	<u>1,364,702</u>	<u>1,462,950</u>
Analysis by fund				
Unrestricted funds	<u>233,489</u>	<u>1,131,213</u>	<u>1,364,702</u>	
<b>For the year ended 31 December 2014</b>				
Unrestricted funds	<u>241,705</u>	<u>1,221,245</u>		<u>1,462,950</u>

#### Charitable trading income

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

### 5 Investments

	Unrestricted funds £	Total 2014 £
Income from listed investments	102,725	69,611
Interest receivable	12,133	14,259
	<u>114,858</u>	<u>83,870</u>

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 6 Other income

	Unrestricted funds £	Total 2014 £
Net gain on disposal of tangible fixed assets	80	1,409
Management fees and office rent	91,164	80,097
	<u>91,244</u>	<u>81,506</u>

### 7 Raising funds

	Unrestricted funds £	Total 2014 £
Investment management	5,674	3,854
	<u>5,674</u>	<u>3,854</u>

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 8 Charitable activities

	Supporting HM Forces in the UK and overseas £	Centres in Cyprus supporting HM Forces overseas £	Total £	2014 £
Staff costs	198,728	381,498	580,226	619,943
Depreciation and impairment	4,328	21,678	26,006	51,061
Cost of supplies	64,494	578,232	642,726	709,296
Operating costs	19,340	157,344	176,684	202,628
Management fee	9,648	-	9,648	9,460
Dhekelia premises repairs	-	-	-	22,813
Repair costs funded by The Army Central Fund	-	2,727	2,727	-
	<u>296,538</u>	<u>1,141,479</u>	<u>1,438,017</u>	<u>1,615,201</u>
Grant funding of activities (see note 9)	1,950	4,362	6,312	8,655
Share of support costs (see note 10)	74,482	41,135	115,617	106,102
Share of governance costs (see note 10)	10,719	14,802	25,521	24,556
	<u>383,689</u>	<u>1,201,778</u>	<u>1,585,467</u>	<u>1,754,514</u>
<b>Analysis by fund</b>				
Unrestricted funds	383,689	1,199,051	1,582,740	
Restricted funds	-	2,727	2,727	
	<u>383,689</u>	<u>1,201,778</u>	<u>1,585,467</u>	
<b>For the year ended 31 December 2014</b>				
Unrestricted funds	383,800	1,323,682		1,707,482
Restricted funds	24,219	22,813		47,032
	<u>408,019</u>	<u>1,346,495</u>		<u>1,754,514</u>

### 9 Grants payable

	Supporting HM Forces in the UK and overseas £	Centres in Cyprus supporting HM Forces overseas £	Total £	2014 £
Other	1,950	4,362	6,312	8,655

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 9 Grants payable

(Continued)

CESSAC made the following principal donations in the UK:

Grants to CESSA HA tenants for Christmas social functions - £3,118.

Study bursaries to former pupils of military schools and Service sponsored ordinands - £1,950.

CESSAC Cyprus donations and sponsorship 2015

Episkopi Saddle Club	€ 350
RAF Akrotiri Community Beach Project	€ 1,000
Lourdes Pilgrimage	€ 200
SSAFA Welsh Coastline Walk	€ 150
St Barnabas Church Buffet	€ 145
Akrotiri Station Families' Day	€ 500
SSAFA Charity Golf	€ 150
Achord Choir	€ 250
Royal British Legion	€ 100
Akrotiri Xmas Market	€ 135
BFBS Big Xmas Giveaway (TV)	€ 210
Dhekelia Golf (sponsorship)	€ 350
Episkopi Swimming Academy (sponsorship)	€ 1,000
	<b>€ 4,540</b>

Various smaller donations totalling €400 to:- Episkopi Station, St John's School, Gym to Gym, Friends of Guiding, Episkopi Xmas Market, Akrotiri Saddle Club, Military Training Wing, SSAFA, Walkdown Event, Akrotiri Xmas Fair, All Island Junior Golf, BFPO Staff, Episkopi Celebration of Birth Event, WRVS Xmas Hampers for 1 LANCS, Episkopi Primary School.



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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 10 Support costs

	Support costs £	Governance costs £	2015 £	2014 £	Basis of allocation
Staff costs	100,053	19,057	119,110	109,503	On estimated time
Depreciation	202	38	240	1,375	Pro rata on staff time
Head office and other management costs	14,884	-	14,884	11,878	Support
Travel and related costs	478	-	478	2,180	Support
Audit fees	-	4,012	4,012	4,122	Governance
Legal and professional	-	1,701	1,701	331	Governance
Committee costs and expenses	-	713	713	1,269	Governance
	<u>115,617</u>	<u>25,521</u>	<u>141,138</u>	<u>130,658</u>	
Analysed between					
Charitable activities	<u>115,617</u>	<u>25,521</u>	<u>141,138</u>	<u>130,658</u>	

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

### 11 Operating profit

2015  
£

2014  
£

Operating profit for the year is stated after charging/(crediting):

Fees payable to the charity's auditors for the audit of the charity's annual accounts	4,012	4,122
Depreciation of owned tangible fixed assets	26,246	51,301
(Surplus)/deficit on disposal of tangible fixed assets	(80)	(1,409)
	<u></u>	<u></u>

### 12 Council members remuneration

None of the Council members (or any persons connected with them) received any remuneration during the year, but 4 of them were reimbursed a total of £230 travelling expenses (2014 - 4 were reimbursed £623).

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 13 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015 Number	2014 Number
Full time (UK, FI & BFG)	6	5
Part time (UK, FI & BFG)	16	20
Full time (Cyprus)	7	9
Part time (Cyprus)	26	28
	<u>55</u>	<u>62</u>

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	651,023	660,792
Social security costs	42,007	62,448
Pension costs	6,306	6,206
	<u>699,336</u>	<u>729,446</u>

Chief Executive Remuneration. After receiving a contribution of £17,613 (2014 - £15,655) from the Church of England Soldiers', Sailors' and Airmen's Housing Association Limited (CESSA HA, a related party), emoluments (excluding pension and national insurance contributions) incurred in respect of the Chief Executive, the only Senior Executive, were £46,657 (2014 - £41,380). The Chief Executive is not a member of the Council, but was an ordinary member of the Housing Association's pension scheme (The Social Housing Pension Scheme administered by The Pension Trust) carrying no special terms. He received an estimated pension contribution of £2,018 (2014 - £1,540) from CESSAC during the year after apportionment with CESSA HA who contributed a further £762 (2014 - £1,027). He has no other individual pension arrangement to which CESSAC makes a contribution.

#### 14 Net gains/losses on investments

	2015 £	2014 £
Revaluation of investments	(75,176)	9,014
Gain/loss on sale of investments	87,305	(5,336)
	<u>12,129</u>	<u>3,678</u>

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 15 Tangible fixed assets

	Land and buildings	Leasehold properties	Furniture, fittings & equipment	Vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2015	12,000	811,427	514,766	87,115	1,425,308
Additions	-	-	12,332	-	12,332
Disposals	-	-	-	(9,174)	(9,174)
Exchange adjustments	-	(47,193)	(26,206)	(4,051)	(77,450)
At 31 December 2015	12,000	764,234	500,892	73,890	1,351,016
<b>Depreciation and impairment</b>					
At 1 January 2015	2,880	811,427	453,608	77,160	1,345,075
Depreciation charged in the year	240	-	23,662	2,344	26,246
Eliminated in respect of disposals	-	-	-	(9,174)	(9,174)
Exchange adjustments	-	(47,193)	(23,437)	(3,472)	(74,102)
At 31 December 2015	3,120	764,234	453,833	66,858	1,288,045
<b>Carrying amount</b>					
At 31 December 2015	8,880	-	47,059	7,032	62,971
At 31 December 2014	9,120	-	61,158	9,955	80,233

### 16 Fixed asset investments

	2015 £	2014 £
Listed investments	2,469,689	2,464,611
Loans	407,882	436,958
	<u>2,877,571</u>	<u>2,901,569</u>
Listed investments included above:	2015 £	2014 £
Listed investments carrying amount	<u>2,469,689</u>	<u>2,464,611</u>

#### Fixed asset investments revalued

Listed investments include an investment portfolio managed by Charles Stanley and an Armed Forces Common Investment Fund managed by Black Rock and are included on the basis of market value, with an historical cost of £2,465,375 (2014 - £ 1,385,215).

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 16 Fixed asset investments (Continued)

#### Movements in fixed asset investments

	Loans £	Shares £	Total £
<b>Cost or valuation</b>			
At 31 December 2015	436,958	2,464,611	2,901,569
Additions	-	1,763,264	1,763,264
Valuation changes	-	(75,176)	(75,176)
Disposals	(29,076)	(1,683,010)	(1,712,086)
At 31 December 2015	407,882	2,469,689	2,877,571
<b>Carrying amount</b>			
At 31 December 2015	407,882	2,469,689	2,877,571
At 31 December 2014	436,958	2,464,611	2,901,569

### 17 Financial instruments

	2015 £	2014 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	733,227	827,476
Equity instruments measured at cost less impairment	2,469,689	2,464,611
	3,202,916	3,292,087
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	68,445	136,747

### 18 Stocks

	2015 £	2014 £
Finished goods and goods for resale	168,727	169,559

### 19 Debtors

	2015 £	2014 £
<b>Amounts falling due within one year:</b>		
Trade debtors	2,791	6,021
Other debtors	71	324
Prepayments and accrued income	39,971	21,478
	42,833	27,823

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 20 Creditors: amounts falling due within one year

	2015 £	2014 £
Other taxation and social security	5,729	7,243
Trade creditors	25,416	89,532
Accruals and deferred income	43,029	47,215
	<u>74,174</u>	<u>143,990</u>

### 21 Auditor's ethical standards

In common with many entities of our size and nature we use our auditors to assist with the preparation of the statutory financial statements.

### 22 Restricted funds

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

	Movement in funds			
	Balance at 1 January 2015 £	Incoming resources £	Resources expended £	Transfers £
The Army Central Fund	-	16,842	(2,727)	(8,633)
	<u>-</u>	<u>16,842</u>	<u>(2,727)</u>	<u>(8,633)</u>
	<u>-</u>	<u>16,842</u>	<u>(2,727)</u>	<u>(8,633)</u>

A grant was received, in respect of the Cyprus activities, from the The Army Central Fund (Registered Charity Number: 245700) for the purchase of various fixtures and fittings and for repairs and maintenance. Where assets have been capitalised and the terms of the grant met, a transfer has been made to unrestricted funds. A balance remains, carried forward to fund pending expenditure.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 23 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 2015	Movement in funds			Balance at 31 December 2015
	£	Incoming resources £	Resources expended £	Transfers £	£
Operating cost reserve	1,250,000	-	-	-	1,250,000
Investment in CESSA Housing Association Limited	436,958	29,076	-	-	407,882
Capital fund for future opportunities	1,753,563	-	-	(23,384)	1,776,947
	<u>3,440,521</u>	<u>29,076</u>	<u>-</u>	<u>(23,384)</u>	<u>3,434,829</u>

Reserves have been established as follows:

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

A further reserve has been established representing the investment in social housing by way of a long term loan to Church of England Soldiers' Sailors' and Airmen's Housing Association Limited.

#### 24 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2015 are represented by:			
Tangible assets	62,971	-	62,971
Investments	2,877,571	-	2,877,571
Current assets/(liabilities)	494,287	5,482	499,769
	<u>3,434,829</u>	<u>5,482</u>	<u>3,440,311</u>

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

<b>25 Cash generated from operations</b>	<b>2015 £</b>	<b>2014 £</b>
Deficit for the year	(210)	(129,579)
Adjustments for:		
Investment income recognised in profit or loss	(114,858)	(83,870)
Exchange loss	12,802	24,580
Gain on disposal of tangible fixed assets	(80)	(274)
(Gain)/loss on disposal of investments	(87,305)	5,336
Fair value gains and losses on investments	75,176	(9,014)
Depreciation and impairment of tangible fixed assets	26,246	51,301
Movements in working capital:		
(Increase)/decrease in stocks	(8,631)	20,355
(Increase)/decrease in debtors	(15,916)	13,820
(Decrease)/increase in creditors	(62,241)	10,346
<b>Cash absorbed by operations</b>	<b>(175,017)</b>	<b>(96,999)</b>