

Church of England Soldiers', Sailors' and Airmen's Clubs

(Short Title: CESSAC)

Registered Office: 1 Shakespeare Terrace, 126 High Street, Portsmouth PO1 2RH

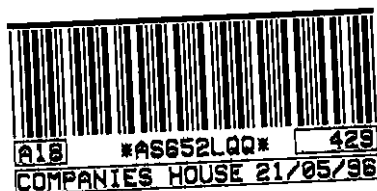
Company limited by Guarantee - Company No.34118 (England)

FINANCIAL STATEMENTS

FOR

YEAR ENDED 31st DECEMBER 1995

CESSAC is a Registered Charity (No.226684)



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MEMBERS OF THE COUNCIL OF CESSAC (at 31 December 1995)	
Rear Admiral J L Blackham, CB DL (President)	Retired Naval Officer
Rear Admiral A G Watson, CB (Chairman)	Retired Naval Officer
Mr R A F Collins, OBE	Retired Legal Executive
Mr D W Russell	Solicitor
Squadron Leader L R De Thier, CEng AFRAeS	Retired Royal Air Force Officer
Major General K G Galloway, CB OBE BDS	Retired Army Officer
Mr M G Power	Retired Civil Servant
Mr J R Wells, FCA	Company Director
Captain G A Plumer, RN	Retired Naval Officer
Captain A J B Paterson, RN	Retired Naval Officer
Captain A C Long, RN	Retired Naval Officer
Mr R Ruston	Retired Quality Controller (Engineering)
Captain C A Pask, RN	Retired Naval Officer
Lieutenant Colonel (Retd) I J Hamilton, Royal Signals	Retired Army Officer

Commander T B O'Rourke, RN

General Secretary and Treasurer

Auditors	Solicitors	Bankers
Grant Thornton Enterprise House Isambard Brunel Road Portsmouth PO1 2RZ	Blake Laphorn New Court, Barnes Wallis Road Segensworth Fareham PO15 FUA	Lloyds Bank Plc 38 London Road Northend Portsmouth PO1 2RE

REPORT OF COUNCIL

The Council presents its report together with the financial statements for the year ended 31st December 1995.

The principal activities of the company (a registered charity) are the provision of 14 sheltered flats at Glamis Court, Stubbington, the operation of the Dhekelia Club in Cyprus, the development of a new centre at the Royal School of Signals (Blandford Camp), sheltered housing support and management service to Greenwich Hospital and charitable welfare support for HM Forces when on Active Operations.

Activities during 1995

In Cyprus, the year began with turnovers of the Resident Manager and Staff Supervisor due to retirements, followed later with a change of Stock Controller. Thereafter the repairs and modernisation programme of work included expenditure on improved shop units and security arrangements.

In the United Kingdom, autumn activities concentrated on a challenging conversion of three disused classrooms in Blandford Camp to create a new CESSAC Centre, to provide much-needed amenities for Base personnel. The Centre was completed in December 1995 and opened on 15th January 1996. This major project resulted in increased 1995 expenditure totalling some £70,000, partially offset by a grant from another Service charity. Capitalised costs were some £18,000. The Centre, named "The Rendezvous", is expected to be much frequented in 1996 and thereafter as the number of trainees on Base rises.

Charitable Donations Made

Donations included the annual CESSAC Awards towards welfare support in the British Base, Dhekelia, Cyprus (£1409), Annual Study/Bursary Awards totalling £1,800 and £2,528 given in support of CESSAC's and CESSA Housing Association's elderly ex-Service tenants by way of Christmas grants etc.

Results

The Income and Expenditure account showed a surplus of £326 for the year (1994: £52,344) which has been transferred to Reserves.

/Council of CESSAC

Council of CESSAC

Council members in office at 31st December 1995 are listed on page 1.

Council's Responsibilities for the Financial Statements

Company law requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus of the company for that period. In preparing those financial statements, the Council is required to:

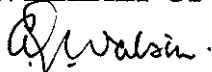
- (1) select suitable accounting policies and then apply them consistently;
- (2) make judgements and estimates that are reasonable and prudent;
- (3) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- (4) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Council is responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton offer themselves for re-appointment as auditors in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF COUNCIL



REAR ADMIRAL A G WATSON, CB
CHAIRMAN
8th May 1996

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1995

REPORT OF THE AUDITORS TO THE MEMBERS OF THE CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS (CESSAC)

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on pages 7-8.

Respective Responsibilities of the Council and Auditors

As described on page 3, the Council is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, of those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 that the financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

Portsmouth
8th May 1996

BALANCE SHEET AT 31 DECEMBER 1995

	<u>Notes</u>	<u>1995</u>	<u>1995</u>	<u>1994</u>	<u>1994</u>
		£	£	£	£
Tangible Fixed Assets	9				
Freehold land and buildings			459,902		459,902
Expenditure incurred on leasehold premises erected on Ministry of Defence land			57,590		57,443
Furniture, fittings motor vehicles , equipment			55,131		34,820
Total Fixed Assets:			572,623		552,165
Investments - at cost	12		888,855		888,855
			1,461,478		1,441,020
Current Assets					
Stock - at cost		66,137		56,873	
Debtors	10	1,332		4,032	
Cash at bank, short term deposits and in hand		497,318		503,232	
		564,787		564,137	
Deduct: Creditors: amounts falling due within one year	11	32,938		22,655	
Net Current Assets:			531,849		541,482
TOTAL ASSETS less current liabilities			1,993,327		1,982,502

Represented by Reserves:

Revenue Reserve	13	1,550,027	1,541,752
Housing Reserve	13	420,000	420,000
Maintenance Reserve	13	23,300	20,750
		1,993,327	1,982,502

The financial statements were approved by the Council of CESSAC on 8th May 1996 and were signed on its behalf by:



(A C LONG) Council Member



(A G WATSON) Chairman and Council Member



(T B O'ROURKE) General Secretary and Treasurer

The accompanying Accounting Policies and Notes form an integral part of these Financial Statements.

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 1995

	<i>Notes</i>	<u>1995</u> £	<u>1994</u> £
INCOME			
Turnover		435,844	375,898
Less: Costs of Sales		<u>(275,343)</u>	<u>(241,751)</u>
Gross Surplus on Sales		160,501	134,147
Property Revue Surplus	3	18,009	15,688
Interest and Dividend income	6	46,282	38,470
Subscriptions and donations received		26,776	2,142
Other Income		<u>27,707</u>	<u>27,173</u>
Total Income:		<u>279,275</u>	<u>217,620</u>
EXPENDITURE			
Wages and salaries (UK and Cyprus)	5	120,360	99,480
End-of-Service Gratuities	5	13,465	---
Rent, rates, fuel, light and general expenses		23,270	21,273
Repairs, replacements and renewals		7,874	7,720
Depreciation	9	30,455	22,341
Head Office Expenses		8,762	6,597
Audit fees and expenses	8	6,066	4,638
Legal Fees and expenses		1,638	2,120
Publicity		868	400
Blandford Start-Up/Conversion Costs		60,761	---
Sale of fixed assets		<u>---</u>	<u>(3,690)</u>
		273,519	160,879
Exchange difference		<u>(773)</u>	<u>(1,793)</u>
		272,746	159,086
Charitable grants/donations:			
Tenants' Support (CESSAC/CESSA HA Courts)		1,460	2,528
Sundry		<u>4,743</u>	<u>3,662</u>
Total Expenditure:		<u>278,949</u>	<u>165,276</u>
EXCESS OF INCOME OVER EXPENDITURE being			
Surplus for the year		<u>326</u>	<u>52,344</u>
Transfers (from)/to designated Reserves			
		£	£
Revenue Reserve	13	(2,224)	50,747
Maintenance Reserve	13	<u>2,550</u>	<u>1,597</u>
		<u>326</u>	<u>52,344</u>

There are no recognised gains or losses other than the surplus for the year. Accordingly a Statement of Total Recognised Gains and Losses is not required.

The accompanying Accounting Policies and Notes form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 1995

1. COMPANY STATUS AND LEGISLATIVE PROVISIONS

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 Corporation Tax.

2. PRINCIPAL ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the principles outlined in the Companies Act 1985. A summary of the more important accounting policies is set out below.

Basis of Accounting

The Financial Statements are prepared on the historical cost basis. Trading and administration expenditure is accounted for on an accrual basis.

Trading income is credited as it arises. Donations and charitable expenditure is brought to charge when paid.

Turnover and Operating Income

Turnover principally represents retail sales in CESSAC's Services Club in Cyprus, 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.

Investments

Investments are included at cost. The market value 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.

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.

Assets and Liabilities of the Cyprus Club

Assets and liabilities of the Cyprus Club are converted into sterling at the exchange rate ruling at 31 December of the relevant year.

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

Auditors

Messrs Chrysanthou & Christophorou (Certified Public Accountants, Cyprus) audits the Club Accounts, Cyprus. These are incorporated by Messrs Grant Thornton (Portsmouth) into the consolidated Financial Statements for the Company as a whole.

Fixed Assets and Depreciation

Freehold Properties are stated at cost.

Fixed assets include no building plots or properties under construction.

Freehold properties are maintained in a state of repair such that their estimated residual value is not less than their cost. Therefore no annual charge for depreciation is made as this would be immaterial.

The Council of CESSAC may revalue its freehold properties at a future time observing that the insured rebuild value for all properties totals £772,400 (April 1995).

The number of freehold sheltered flats owned by CESSAC total 14 (1994 - 14). Sheltered flats under management, but not owned by CESSAC, total 70 (1994 - 70).

Tangible fixed assets, other than freehold properties, are stated at cost less accumulated depreciation. Depreciation is calculated to write off the cost over the expected life of the asset and is charged as follows:

Leasehold Premises	Over the period of the lease
Office equipment and Vehicles:	25% p.a. straight line basis
Furniture & Fixtures:	10% p.a. straight line basis

- a full year's depreciation is charged in the year of purchase, but no charge is normally made in the year of disposal.

Maintenance Reserve

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

This programme, and the experience of the last 7 years, allows the Company to operate without a committed provision for future repairs and maintenance. Actual costs incurred are normally charged to the income & expenditure account.

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

3. PROPERTY REVENUE - GLAMIS COURT, STUBBINGTON

	1995 £	1995 £	1994 £	1994 £
Gross Rents (inc. Service Charges) Receivable	37,046		35,816	
less: Voids	(125)		--	
Net Rents Receivable	36,921	36,921	35,816	35,816
Expenditure:				
Management costs	3,417		5,338	
Repairs & Maintenance	3,298		2,749	
Services' Costs	12,197	(18,912)	12,041	(20,128)
		18,009		15,688
Other Operating Costs				
Bad Debts		---		---
Surplus (transferred to Income & Expenditure Account - page 6)		18,009		15,688

4. DIRECTORS' EMOLUMENTS

No member of the Council of CESSAC received any emoluments in 1995. (1994 - Nil)

Total expenses re-imbursed to Council members, not chargeable to UK income tax, totalled £911 (1994 - £1,387).

5. EMPLOYEE INFORMATION

Average Weekly Number of Staff employed during the Year			Staff costs		
Category of Staff	1995	1994	Category of Cost	1995	1994
	No.	No.		£	£
Full time	10	10	Wages & salaries	116,776	94,099
Part time	10	10	UK Social Security (NI) costs	1,976	3,034
			Other pension costs	1,608	2,347
			Non-UK Staff- End-of Service Payts	13,465	---
Total:	20	20	Total:	133,825	99,480

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	1995 £	1994 £
Interest receivable from bank/building society deposits	24,623	18,071
Dividends from quoted securities	21,659	20,399
Total:	46,282	38,470

7. INTEREST PAYABLE AND SIMILAR CHARGES

	1995 £	1994 £
On bank loans, overdrafts and other loans repayable wholly or partly in more than 5 years	---	---

8. SURPLUS ON ORDINARY ACTIVITIES

Surplus on ordinary activities is stated after charging:	1995 £	1994 £
Depreciation - tangible owned fixed assets	30,455	22,341
Auditors' remuneration (inclusive of expenses/VAT) - audit services:		
Chysanthou & Christophorou (Cyprus)	4,016	2,814
Grant Thornton (United Kingdom)	2,050	1,824
Surplus on disposal of tangible fixed assets other than housing properties	---	3,690

9. TANGIBLE FIXED ASSETS

	Freehold land & Buildings £	Short Leashold Buildings £	Furniture, fittings & Equipment £	Motor Vehicles £	Totals £
Cost					
At 1 January 1995	459,902	162,762	76,791	22,006	721,461
Difference on exchange	22,889	8,381	3,280	476	12,137
Additions during year	--	12,138	34,715	---	46,853
At 31 December 1995	459,902	183,281	114,786	22,482	780,451
Depreciation					
At 1 January 1995	--	105,319	57,089	6,888	169,296
Difference on exchange	---	5,423	2464	190	8,077
Charge for year	--	14,949	10,372	5,134	30,455
At 31 December 1995	---	125,691	69,925	12,212	207,828
Net book value:					
At 31 Dec 1995	459,902	57,590	44,861	10,270	572,623
At 31 Dec 1994	459,902	57,443	19,702	15,118	552,165

10. DEBTORS

	1995 £	1994 £
Trade Debtors	508	3,255
Prepayments & other debtors	824	777
Total:	1,332	4,032

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £	1994 £
Trade Creditors	24,184	10,952
Other creditors and accruals	8,754	11,703
Total:	32,938	22,655

12. LISTED INVESTMENTS

	1995 £	1994 £
Cost at 1 January	888,855	579,151
Net Purchases in Year	---	309,704
Cost at 31 December	888,855	888,855
Market Value at 31 December	1,280,805	1,085,202

13. RESERVES

	Revenue Reserve	Housing Reserve	Maintenance Reserve	TOTALS
	£	£	£	£
Balance at 1 January 1995	1,541,752	420,000	20,750	1,982,502
Transfer to/(from) I & E account	(2,224)	---	2,550	326
Differences on exchange	10,499			10,499
Balance at 31 December 1995	1,550,027	420,000	23,300	1,993,327

14. CAPITAL COMMITMENTS

The company had no capital expenditure contracted for but not provided for in the financial statements.
(1994 - Nil).

The company had no capital expenditure authorised by the Council of CESSAC but not contracted for.
(1994 - Nil).

15. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 1995. (1994 - Nil).