

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

(Short Title: CESSAC)

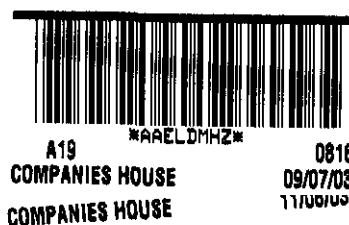
Registered and Principal Office: 1 Shakespeare Terrace, 126 High Street, Portsmouth PO1 2RH

**Company limited by Guarantee - Company No. 34118 (England)  
Registered Charity No. 226684**

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## FINANCIAL STATEMENTS FOR YEAR ENDED 31st DECEMBER 2002



Final

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(Cover)

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**MEMBERS OF THE COUNCIL OF CESSAC (The Trustees) at 31 December 2002**

|   |                    |  |
|---|--------------------|--|
| Rear Admiral A G Watson, CB                           | <b>(President)</b> | Retired Naval Officer                    |
| Brigadier C A Brown                                   | <b>(Chairman)</b>  | Retired Company Chairman                 |
| Mr D W Russell  |                    | Solicitor                                |
| Captain A J B Paterson, Royal Navy                    |                    | Retired Naval Officer                    |
| Captain A C Long, Royal Navy                          |                    | Retired Naval Officer                    |
| Mr R Ruston   |                    | Retired Quality Controller (Engineering) |
| Captain C A Pask, Royal Navy                          |                    | Retired Naval Officer                    |
| Lieutenant Colonel (Retd) C D Melhuish, Royal Signals |                    | Retired Army Officer                     |
| Air Commodore M J Allisstone, CBE                     |                    | Retired Air Force Officer                |
| Commander G Greaves Royal Navy                        |                    | Retired Naval Officer                    |
| Commander J O Brown Royal navy                        |                    | Retired Naval Officer                    |

Commander M R Marks OBE Royal Navy

General Secretary and Treasurer

| Auditors   | Solicitors  | Bankers   |
|--|---|---|
| Grant Thornton<br>Manor Court, Barnes Wallis Road<br>Segensworth<br>Fareham PO15 5GT | Blake Laphorn<br>Harbour Court, Compass Road<br>North Harbour<br>Portsmouth PO6 4ST | Lloyds Bank Plc<br>38 London Road<br>Northend<br>Portsmouth PO1 2RE |

## REPORT OF COUNCIL

The Council comprises the directors of CESSAC, all of whom served throughout the year with one exception. Rear Admiral Blackham, who was the Council Chairman from 1966 to 1979, tendered his resignation from the Council early in the year. Admiral Blackham who remains a Vice President and a Life Member of CESSAC was much involved with the early days of CESSAC in Dhekelia. Commanders J O Brown and G Greaves were formerly elected to the Council at the AGM. The Council presents this report together with the financial statements for the year ended 31 December 2002. The Council of CESSAC and the company's Auditors, Solicitors and Banker are listed on page 2.

### Charitable Company Status

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).

### Objectives

CESSAC's objectives are the provision and management of sheltered housing for elderly ex-services people and their spouses, or their widows/widowers, and the operation of centres in military bases in support of the Active Services.

### Activities during 2002.

The present activities of the charitable company continue to be the provision of 14 sheltered flats at Glamis Court, Stubbington, the operation of the CESSAC Centres in Cyprus and at the Royal School of Signals (Blandford Camp), sheltered housing support and management service to Greenwich Hospital and certain charitable support for Service and ex-Service personnel and their dependants.

This was the first full year of operations with three centres in Cyprus at Dhekelia, Episkopi and Nicosia. Gina Potter, the CESSAC General Manager Cyprus has consolidated the excellent start that she made with the much-enlarged organisation reaching an annual turnover of £1.29 million. This has been achieved against competition from the NAAFI in items such as confectionery which they are able to sell tax-free and a large island wide departmental store chain for toys and gifts. CESSAC has the best range of greetings cards anywhere in Cyprus. Episkopi shop, for example, sold an average of £6,500 of cards and gift-wrappings every month. The UN forces intention to re-roof the Nicosia shop did not materialise but eventually a compromise was reached where CESSAC provided the materials and UN engineering troops undertook the work.

In Blandford, a new manager Margaret Ball took over in April. Her predecessor Lesley Sanderson left to work for a new family business. Margaret has worked very hard indeed to satisfy a list of requirements from the local authorities. In nine months she has doubled the sales of the mobile sandwich round by changes to the visual appeal and quality of the in-house assembled items. Her innovation has led to contracts to provide a hot buffet for a wives' dinner in the NAAFI, a hot food tent for Army off-road cycling events at Blandford and a much improved demand for lunch time cold buffets. Sadly the discovery by camp personnel that they can install their own canned soft drinks machines for cheap drinks has halved our sales this year. We cannot compete with the virtually free labour used to run these arrangements. The result of these factors, mainly beyond the manager's control was a trading loss of some £19,000. A recently approved extension to the operating agreement for the NAAFI to sell coffees and to offer morning break facilities in the bowling alley will also hit our future sales.

CESSAC's own 14 flats at Glamis Court, Stubbington continue to be well-maintained and sound assets. Greenwich Hospital, a Crown charity, has sheltered courts in Southsea, Saltash and Greenwich fully managed by CESSAC. The new conversion, Trafalgar Quarters in Greenwich, has suffered from some technical teething problems that have absorbed a lot of management time.

Changes to the electricity supply contracts have reduced some costs but the problems of correcting minor defects economically in the expensive London area remain.

### Charitable Donations Made

In 2002 grants and donations totalled over £17,000. Established grants made included the annual CESSAC Awards towards welfare support in the British Base at Dhekelia, Cyprus. For the first time this scheme was extended to the Episkopi base with awards selected by the command for voluntary personal service to the community. In Nicosia a donation was made to support the UN's British contingent annual charity event. This year it took the form of a Queen's Jubilee Band Concert. Three Annual Study/Bursary Awards for dependants of service personnel were given as well as support for CESSAC and CESSA Housing Association's elderly ex-Service tenants for Christmas social functions. A grant was made to the Chaplain of HMS OCEAN for recreational computer and music facilities in the multi-purpose chapel and to Downland School inside Blandford Camp for an educational garden project.

### Results

2002 trading activities resulted in a surplus of income over expenditure of £87,282. However, there were other recognised losses of £188,813 resulting from unrealised losses on investments.

### Council's Responsibilities for the Financial Statements

The Council are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure for the year. In preparing those financial statements, the members of Council are required to:

- (1) select suitable accounting policies and then apply them consistently;
- (2) make judgements and estimates that are reasonable and prudent;
- (3) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Council are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. 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. With this in mind Council members Captain Long and Commander Brown undertook short notice internal audits.

### Cyprus Auditors

Following the integration of the long standing Cyprus auditors Chysanthou & Christophorou with Deloitte & Touche, the Council has appointed Deloitte & Touche as the auditors of the branch.

### Auditors

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

ON BEHALF OF COUNCIL



Brigadier C A BROWN  
CHAIRMAN  
8 May 2003

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2002**

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

We have audited the financial statements of the Church of England Soldiers', Sailors' and Airmen's Clubs for the year ended 31 December 2002 which comprise the balance sheet, the statement of financial activities and notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

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 our 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, or for the opinions we have formed.

**Respective Responsibilities of the Council and Auditors**

The Council acts as trustees for the charitable activities of CESSAC and are also the directors of CESSAC for the purposes of company law. Their responsibility for preparing the annual report and the financial statement in accordance with United Kingdom law and accounting standards is set out in the statement of the Council's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements 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 Report of the Council is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information regarding remuneration of the Council and transactions with the charitable company is not disclosed.

We are not required to consider whether the statement in the Report of the Council concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the company's risk management and control procedures.

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

**Basis of Opinion**

We conducted our audit in accordance with United Kingdom 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 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 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 charitable company's affairs as at 31 December 2002 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Grant Thornton*

GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

Portsmouth  
8<sup>th</sup> May 2003

## BALANCE SHEET AT 31 DECEMBER 2002

|   | <u>Notes</u> | <u>2002</u><br>£ | <u>2002</u><br>£        | <u>2001</u><br>£ | <u>2001</u><br>£        |
|---|--------------|------------------|-------------------------|------------------|-------------------------|
| <b>Fixed Assets</b>                         |              |                  |                         |                  |                         |
| Tangible fixed assets                       | 12           |                  | 647,783                 |                  | 606,411                 |
| Investments                                 | 15           |                  | 1,835,564               |                  | 2,048,897               |
| <b>Total Fixed Assets:</b>                  |              |                  | <u>2,483,347</u>        |                  | <u>2,655,308</u>        |
| <b>Current Assets</b>                       |              |                  |                         |                  |                         |
| Stock - at cost                             |              | 202,617          |                         | 172,176          |                         |
| Debtors                                     | 13           | 9,301            |                         | 3,781            |                         |
| Cash at bank, short term deposits & in hand |              | 532,483          |                         | 495,744          |                         |
|   |              | <u>744,401</u>   |                         | <u>671,701</u>   |                         |
| <b>Creditors:</b>                           |              |                  |                         | -                |                         |
| amounts falling due within one year         | 14           | (123,448)        |                         | (121,178)        |                         |
| <b>Net Current Assets:</b>                  |              |                  | <u>620,953</u>          |                  | <u>550,523</u>          |
| <b>NET ASSETS</b>                           |              |                  | <u><u>3,104,300</u></u> |                  | <u><u>3,205,831</u></u> |
| <br><b>Funds (all unrestricted)</b>         |              |                  |                         |                  |                         |
| Revenue Reserve                             | 16           |                  | 2,194,300               |                  | 2,295,831               |
| Designated Housing Reserve                  | 16           |                  | 850,000                 |                  | 850,000                 |
| Designated Maintenance Reserve              | 16           |                  | 60,000                  |                  | 60,000                  |
|   |              |                  | <u><u>3,104,300</u></u> |                  | <u><u>3,205,831</u></u> |

The financial statements were approved by the Council of CESSAC on 8th May 2003 and were signed on its behalf by:



(A C LONG) Vice Chairman and Council Member



(C A BROWN) Chairman and Council Member



(M R MARKS) General Secretary and Treasurer

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

**STATEMENT OF FINANCIAL ACTIVITIES**

For the year ended 31 December 2002

|   | <i>Notes</i> | <u>Unrestricted<br/>Funds<br/>2002<br/>£</u> | <u>Unrestricted<br/>Funds<br/>2001<br/>£</u> |
|---|--------------|--|--|
| <b>Income and Expenditure</b>   |              |  |  |
| <b>Incoming Resources</b>   |              |  |  |
| Subscriptions and donations   |              | 3,390  | 2,000  |
| Activities for generating funds:  |              |  |  |
| Income from charitable trading activities   |              | 1,399,494                                    | 1,090,947                                    |
| Net income for non-charitable activities  |              | 64,598                                       | 54,059                                       |
| Rents receivable – Sheltered Housing  |              | 45,055                                       | 44,051                                       |
| Investment Income   | 10           | 46,625                                       | 47,193                                       |
| <b>Total Incoming Resources</b>   |              | <u>1,559,162</u>                             | <u>1,238,250</u>                             |
| <b>Resources Expended</b>   |              |  |  |
| Cost of generating funds:   |              |  |  |
| Fundraising and Publicity   | 5            | 279  | 559  |
| Charitable expenditure  |              |  |  |
| Direct Charitable Expenditure   | 3            | 1,339,929                                    | 1,053,560                                    |
| Sheltered Housing for the Elderly   | 4            | 20,430                                       | 20,542                                       |
| Grants and donations  |              | 17,190                                       | 12,673                                       |
| Management and administration of the charity  | 6            | 94,052                                       | 75,834                                       |
| <b>Total Resources Expended</b>   |              | <u>1,471,880</u>                             | <u>1,163,168</u>                             |
| <b>Net Incoming Resources before revaluations – and surplus of Income over Expenditure for the year</b> |              | <u>87,282</u>                                | <u>75,082</u>                                |
| <b>Other Recognised Gains and Losses</b>  |              |  |  |
| Unrealised exchange gains/(losses)  |              | 24,520                                       | (3,105)                                      |
| Unrealised (losses) on investments  |              | (213,333)                                    | (172,584)                                    |
| Exchange loss on YMCA asset purchase  |              | 0  | (3,341)                                      |
| <b>Total</b>  |              | <u>(188,813)</u>                             | <u>(179,030)</u>                             |
| <b>Net Movement of Funds</b>  |              | (101,531)                                    | (103,948)                                    |
| Balance brought forward at 1 January  |              | 3,205,831                                    | 3,309,779                                    |
| <b>Balance carried forward at 31 December</b>   |              | <u>3,104,300</u>                             | <u>3,205,831</u>                             |

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



**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2002****1. COMPANY STATUS AND LEGISLATIVE PROVISIONS**

Details are given in the Report of Council on page 3.

**2. PRINCIPAL ACCOUNTING POLICIES**

The Financial Statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the "Statement of Recommended Practice: Accounting and Reporting by Charities" issued in October 2000. 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 as modified by the inclusion of investments at market value.

Trading income is credited as it arises. Trading and administration expenditure is accounted for on an accruals basis. Donations and charitable expenditure is brought to charge when paid.

**Incoming Resources**

Income from charitable trading activities principally represents retail sales and other income in CESSAC's Services Centre in Cyprus and the "Rendezvous", a CESSAC Centre in Blandford Camp, 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 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.

**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 Centre**

Assets and liabilities of the Cyprus Centre are converted into sterling at the exchange rate ruling at 31 December of the relevant year. Exchange differences are dealt with in the statement of financial activities.

**Stock**

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

**Pensions****Defined Pension Contribution Scheme**

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

## 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, based on current prices, is not less than their cost. Therefore no annual charge for depreciation is made, as this would be immaterial.

The Council of CESSAC may re-value its freehold properties at a future time observing that the insured rebuild value for all such properties totals £1.1 million (December 2002).

The number of freehold sheltered flats owned by CESSAC total 14 (2001 - 14). Sheltered flats under management, but not owned by CESSAC, total 91 (2001 - 91).

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.

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

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

## Designated Housing Reserve

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

## 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 the management and administration of the charity
- expenditure incurred in funding grants and donations

**2A. INCOMING RESOURCES - TURNOVER**

Incoming Resources derive from UK activities except for £1,290,246 (2001 - £975,009) income from charitable trading activities deriving from the CESSAC Centres in Cyprus, supporting HM Forces overseas.

| <b>3. DIRECT CHARITABLE EXPENDITURE</b> | <b>2002</b>      | <b>2001</b>      |
|---|------------------|------------------|
|   | <b>£</b>         | <b>£</b>         |
| Cost of Supplies                        | 894,213          | 668,350          |
| Salaries                                | 345,933          | 275,501          |
| Operating Costs                         | 81,330           | 76,684           |
| Depreciation                            | 55,064           | 44,076           |
| Audit                                   | 5,004            | 6,913            |
| Exchange difference                     | (41,615)         | (17,964)         |
| <b>Totals:</b>                          | <b>1,339,929</b> | <b>1,053,560</b> |

| <b>4. SHELTERED HOUSING FOR THE ELDERLY</b> | <b>2002</b>   | <b>2001</b>   |
|---|---------------|---------------|
|   | <b>£</b>      | <b>£</b>      |
| Management cost                             | 1,936         | 1,903         |
| Repairs and maintenance                     | 4,557         | 4,838         |
| Service costs                               | 13,937        | 13,801        |
| <b>Totals:</b>                              | <b>20,430</b> | <b>20,542</b> |

| <b>5. FUNDRAISING AND PUBLICITY</b> | <b>2002</b> | <b>2001</b> |
|-------------------------------------|-------------|-------------|
|                                     | <b>£</b>    | <b>£</b>    |
| Advertising                         | 279         | 559         |

| <b>6. MANAGEMENT AND ADMINISTRATION</b>  | <b>2002</b>   | <b>2001</b>   |
|--|---------------|---------------|
|  | <b>£</b>      | <b>£</b>      |
| Salaries                                 | 54,278        | 52,661        |
| Head Office & Management Operating costs | 8,120         | 8,156         |
| Head Office Building Upkeep              | 17,015        | 145           |
| Legal and Professional fees              | 1,264         | 544           |
| Audit fees                               | 2,879         | 2,679         |
| Travel & associated costs                | 4,298         | 5,829         |
| Depreciation                             | 6,198         | 5,820         |
| <b>Totals:</b>                           | <b>94,052</b> | <b>75,834</b> |

| <b>7. TOTAL RESOURCES EXPENDED</b> | Staff Costs    | Depreciation  | Other Expenditure | Total            | Total            |
|------------------------------------|----------------|---------------|-------------------|------------------|------------------|
|                                    | £              | £             | £                 | 2002             | 2001             |
|                                    |                |               |                   | £                | £                |
| Direct charitable purposes         | 345,933        | 55,064        | 938,932           | <b>1,339,929</b> | 1,053,705        |
| Sheltered Housing                  | 0              | 0             | 20,430            | <b>20,430</b>    | 20,542           |
| Fundraising and publicity          | 0              | 0             | 279               | <b>279</b>       | 559              |
| Management & administration        | 54,278         | 6,198         | 33,576            | <b>94,052</b>    | 75,834           |
| Grants and donations               | 0              | 0             | 17,190            | <b>17,190</b>    | 12,673           |
| <b>Totals:</b>                     | <b>400,211</b> | <b>61,262</b> | <b>1,010,407</b>  | <b>1,471,880</b> | <b>1,163,313</b> |

**8. DIRECTORS' EMOLUMENTS**

No member of the Council of CESSAC received any emoluments in 2002. (2001 - Nil).

Total expenses reimbursed to 8 Council members in respect of travel costs, not chargeable to UK income tax, totalled £2,248 (2001- £1,350).

## 9. EMPLOYEE INFORMATION

| Average Weekly Number of Staff employed during the Year |           |           | Staff costs                      |                |                |
|---|-----------|-----------|----------------------------------|----------------|----------------|
| Category of Staff                                       | 2002      | 2001      | Category of Cost                 | 2002           | 2001           |
|   | No.       | No.       |                                  | £              | £              |
| Full time (UK)  | 5         | 4         | Wages & salaries (UK)            | 111,385        | 111,486        |
| Part time (UK)  | 6         | 8         | UK Social Security (NI) costs    | 5,889          | 6,067          |
| Full time (Cyprus)                                      | 23        | 16        | Non-UK Employees' costs (Cyprus) | 279,286        | 207,563        |
| Part time (Cyprus)                                      | 17        | 25        | Employer pension contributions   | 3,651          | 3,046          |
| <b>Total:</b>   | <b>51</b> | <b>53</b> | <b>Total:</b>                    | <b>400,211</b> | <b>328,162</b> |

The above amounts include £23,412 (2001 - £22,426) paid over to the Church of England Soldiers', Sailors' and Airmen's Housing Association Limited (a related party, being a Registered Social Landlord with charitable status) in respect of shared emolument costs of Head Office staff.

No employee earned more than £50,000 per annum (2001 - nil)

## 10. INTEREST RECEIVABLE AND SIMILAR INCOME

|   | 2002          | 2001          |
|---|---------------|---------------|
|   | £             | £             |
| Interest receivable from bank/building society deposits | 19,485        | 20,167        |
| Dividends from quoted securities                        | 27,140        | 27,026        |
| <b>Total:</b>   | <b>46,625</b> | <b>47,193</b> |

## 11. SURPLUS OF INCOME OVER EXPENDITURE

| Surplus of income over expenditure is stated after charging:   | 2002   | 2001   |
|--|--------|--------|
|  | £      | £      |
| Depreciation - tangible owned fixed assets   | 61,262 | 49,896 |
| Auditors' remuneration (inclusive of expenses/VAT) - audit services:<br>Deloitte & Touche (Cyprus - formerly Chysanthou & Christophorou) | 5,004  | 6,913  |
| Grant Thornton (United Kingdom)  | 2,879  | 2,679  |

## 12. TANGIBLE FIXED ASSETS (Held for the continuing use of CESSAC and its charitable purposes)

|                            | Freehold land & Buildings | Short Leasehold Buildings | Furniture, fittings & Equipment | Motor Vehicles | Totals           |
|----------------------------|---------------------------|---------------------------|---------------------------------|----------------|------------------|
|                            | £                         | £                         | £                               | £              | £                |
| <b>Cost</b>                |                           |                           |                                 |                |                  |
| At 1 January 2002          | 459,902                   | 213,105                   | 167,171                         | 77,303         | 917,481          |
| Difference on exchange     | 0                         | 14,768                    | 9,011                           | 1,936          | 25,715           |
| Additions during year      | 0                         | 32,114                    | 45,311                          | 17,391         | 94,816           |
| Disposals/Transfers        | 0                         | 0                         | 0                               | (33,161)       | (33,161)         |
| <b>At 31 December 2002</b> | <b>459,902</b>            | <b>259,987</b>            | <b>221,493</b>                  | <b>63,469</b>  | <b>1,004,851</b> |
| <b>Depreciation</b>        |                           |                           |                                 |                |                  |
| At 1 January 2002          | 0                         | 182,947                   | 83,675                          | 44,448         | 311,070          |
| Difference on exchange     | 0                         | 12,678                    | 4,154                           | 1,065          | 17,897           |
| Charge for year            | 0                         | 20,316                    | 24,974                          | 15,972         | 61,262           |
| Disposals/Transfers        | 0                         | 0                         | 0                               | (33,161)       | (33,161)         |
| <b>At 31 December 2002</b> | <b>0</b>                  | <b>215,941</b>            | <b>112,803</b>                  | <b>28,324</b>  | <b>357,068</b>   |
| <b>Net book value:</b>     |                           |                           |                                 |                |                  |
| <b>At 31 December 2002</b> | <b>459,902</b>            | <b>44,046</b>             | <b>108,690</b>                  | <b>35,145</b>  | <b>647,783</b>   |
| At 31 December 2001        | 459,902                   | 30,158                    | 83,496                          | 32,855         | 606,411          |

**13. DEBTORS**

|                             | 2002<br>£    | 2001<br>£    |
|-----------------------------|--------------|--------------|
| Trade Debtors               | 2,078        | 2,139        |
| Prepayments & other debtors | 7,223        | 1,642        |
| <b>Total:</b>               | <b>9,301</b> | <b>3,781</b> |

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                 | 2002<br>£      | 2001<br>£      |
|---------------------------------|----------------|----------------|
| Trade Creditors                 | 105,804        | 79,028         |
| Social Security and other taxes | 3,649          | 4,738          |
| Other creditors and accruals    | 13,995         | 37,412         |
| <b>Total:</b>                   | <b>123,448</b> | <b>121,178</b> |

**15. LISTED INVESTMENTS**

|                               | 31 December<br>2002<br>£ | Change in<br>Market Value<br>in 2002<br>£ | 31 December<br>2001<br>£ |
|-------------------------------|--------------------------|---|--------------------------|
| Holdings and market values:   |                          |   |                          |
| Charinco Accumulation Units   | 636,024                  | 60,607                                    | 575,417                  |
| Charinco Distribution Units   | 11,343                   | 470                                       | 10,873                   |
| Charishare Accumulation Units | 517,300                  | (106,921)                                 | 624,221                  |
| Charishare Distribution Units | 670,897                  | (167,489)                                 | 838,386                  |
| Total:                        | 1,835,564                | (213,333)                                 | 2,048,897                |
| Cost:                         | 927,033                  | -   | 927,033                  |

**16. RESERVES (All unrestricted)**

|   | Revenue<br>Reserve<br>£ | Designated<br>Housing<br>Reserve<br>£ | Designated<br>Maintenance<br>Reserve<br>£ | TOTALS<br>£      |
|---|-------------------------|---------------------------------------|---|------------------|
| Balance at 1 January 2002                       | 2,295,831               | 850,000                               | 60,000                                    | 3,205,831        |
| Transfer from Statement of Financial Activities | (101,531)               | 0                                     | 0   | (101,531)        |
| <b>Balance at 31 December 2002</b>              | <b>2,194,300</b>        | <b>850,000</b>                        | <b>60,000</b>                             | <b>3,104,300</b> |

**17. PENSIONS****Defined Contribution Scheme**

The company operates a defined contribution pension scheme for the benefit of employees. The assets of which are administered by trustees in a fund independent from those of the company. The pension cost charge for the year was £3,651 (2001: £3,046)

**18. CAPITAL COMMITMENTS**

The company had no capital commitments at 31 December 2002. (2001 - Nil).

**19. CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 December 2002. (2001 - Nil).