



Charity Registration No 226684

Company Registration No 00034118 (England and Wales)

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS
COUNCIL MEMBERS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

TUESDAY



AKPSUZGK

A26

22/11/2011

144

COMPANIES HOUSE

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

LEGAL AND ADMINISTRATIVE INFORMATION

Council	Rear Admiral S R J Goodall CBE Chairman Air Commodore M J Allisstone CBE Brigadier C A Brown President Captain A C Long Royal Navy Commander P T Mayfield Royal Navy Mr B H Parsons FCA Lt Col D Ruffle
Secretary	Commander M J Pearce Royal Navy
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 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 Laphorn Harbour Court, Compass Road North Harbour Portsmouth Hampshire PO6 4ST

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

CONTENTS

	Page
Council Members' report	1 - 3
Statement of Council Members' responsibilities	4
Independent auditors' report	5 - 6
Statement of financial activities	7
Summary income and expenditure account	8
Balance sheet	9
Cash flow statement	10
Notes to the accounts	11 - 22

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

COUNCIL MEMBERS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

The Council present their report and accounts for the year ended 31 December 2010

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 the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005

Structure, governance and management

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

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

Rear Admiral S R J Goodall CBE	Chairman
Air Commodore M J Allisstone CBE	
Brigadier C A Brown	President
Group Captain G Bowyer	(Retired 31 March 2011)
Commander G A Greaves Royal Navy	(Retired 31 March 2011)
Captain A C Long Royal Navy	
Commander P T Mayfield Royal Navy	
Mr B H Parsons FCA	
Lt Col D Ruffle	(Appointed 13 May 2010)
Mr D W Russell	(Retired 31 March 2011)
Mr A Siddall	(Retired 31 March 2011)

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

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

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

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

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

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

COUNCIL MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

Objectives and activities

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

The Council have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake

Cyprus Centres

Overall 2010 was not an easy year. Fewer Service people on island, the poor Pound/Euro exchange rate, the attractions of online buying, high food prices in Ermes (ex NAAFI) on camp driving customers to local supermarkets and the increasing variety of retail outlets outside the wire (an echo of the situation starting to develop in 2009) have all contributed to a 6.6% reduction in turnover. Some hard decisions had to be made and to offset this decline a commendable 6.4% cut back in overheads (7.26% in staff costs) was achieved. The end result was that although a deficit for the year was recorded, CESSAC Cyprus is leaner and fitter, the way ahead is clear and the challenges for 2011 are fully appreciated by all.

UK Centres

The year started in the knowledge that Commander in Chief Land Headquarters at Wilton would be closing in mid 2010 as the Headquarters staff moved to Upavon and Andover. As numbers dwindled so the decision to wind up our facilities there was taken and the CESSAC Cafeteria & Shop and the CESSAC Coffee shop closed their doors at the beginning of July. In the spring an opportunity to take over the coffee shop facility in the St Aidan's Church Community Centre in RAF Lossiemouth presented itself and this new enterprise opened at the beginning of May. Severe belt tightening has had to be applied to staff hours but the small surplus overall at year end reflects the good housekeeping that has been enforced.

Housing

CESSAC continues to manage 92 sheltered flats at three sites on behalf of Greenwich Hospital, a Crown charitable trust, for a fee on a three year agreement. The agreement was last reviewed and renewed in September 2008. The fees charged are competitive but realistic.

Achievements and performance

CESSAC's primary aim is to provide a service through its UK and Cyprus shops and cafes for military personnel, as well as their dependants in Cyprus. It is useful to measure this in terms of their combined turnover for the year which defines the use being made of them. It increased year on year from 2000 to 2008 but dropped off in 2009 (£2,608,404) and 2010 (2,228,370) from a high of £3,025,702 in 2008.

CESSAC is a Trust beneficial to the serving Service Community in the provision of welfare facilities and to the Ex-Service Community in the support and management of sheltered housing. CESSAC's origins date back to the mid 19th century and the Governing Precept set out in 1881 was

"That if the Church of England is in any way, as she claims to be, the Church of the Nation, then she ought 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 not only with one another but with chaplains, officers and others who are willing to make their acquaintance. That with this object, the Church, holding in respect the convictions and opinions of those who cannot conscientiously accept her creeds and formulae and anxiously desiring to include all and exclude none, throws open the doors of these centres freely to all soldiers without enquiry as to their religious denomination, and in order this feeling of freedom may be practical, she not only asks for no religious profession from those who use them, but insists that there should be no solicitation or interference whatever on religious matters, although a room is provided in them for worship and religious instruction in accordance with principles of the National Church, for those who wish to avail themselves of them"

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

COUNCIL MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

That precept is as valid today as it was then CESSAC resources Centres both in the UK and Cyprus to provide welfare facilities for soldiers, sailors and airmen and any surpluses are used to improve those facilities For example, in Cyprus over the last 6 years some £500,000 has been re-invested in the rebuilding of and improvement to the Centres there

In addition, for the benefit of ex-service pensioners, CESSAC has provided financial support and donations to CESSA Housing Association (CESSAC's sister organization) over the last 34 years both directly for the benefit of tenants but also for building improvements The charity recently agreed to make a substantial split grant and loan (totaling £600,000) to enable CESSA Housing Association to undertake a modernisation programme at a sheltered housing scheme where currently tenants must leave their studio flats to go to a communal bathroom for a bath or shower

Financial review

The net outgoing resources for the year were £153,584 and this reflects the reduction in incoming resources in Cyprus Other recognized losses and gains were a gain on investment value of £225,548 and loss on exchange of £39,370 which leads to a total net gain of £32,594

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

Asset cover for funds

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

Disclosure of information to auditors

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

Auditors

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

On behalf of the board of Council


Rear Admiral S R J Goodall CBE Chairman

Dated 12 May 2011

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

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

The Council, who are also the directors of Church of England Soldiers', Sailors' and Airmen's Clubs for the purpose of company law, are responsible for 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 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 are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities Statement of Recommended Practice,
- 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 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

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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accounts of Church of England Soldiers', Sailors' and Airmen's Clubs for the year ended 31 December 2010 set out on pages 7 to 22. 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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council and auditors

As explained more fully in the statement of Council Members' responsibilities, the Council, 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.

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.

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, and the overall presentation of the accounts.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 25 to the accounts.

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 2010 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Council Members' Report for the financial year for which the accounts are prepared is consistent with the accounts.

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Neville Lacey BSc FCA (Senior Statutory Auditor)
for and on behalf of Jones Avens

Chartered Accountants
Statutory Auditor
Piper House 4 Dukes Court
Bognor Road Chichester
West Sussex PO19 8FX

Dated 12 May 2011

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

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £
<u>Incoming resources from generated funds</u>			
Voluntary income	2	882	17,639
Investment income	3	61,620	33,786
		62,502	51,425
Incoming resources from charitable activities	4	2,228,370	2,608,404
Other incoming resources	5	67,521	62,773
Total incoming resources		2,358,393	2,722,602
<u>Resources expended</u>			
	6		
Costs of generating funds			
Fundraising and publicity costs		910	-
Investment management costs		3,171	3,015
		4,081	3,015
Charitable activities			
U K activities		410,254	525,969
Centres in Cyprus supporting H M Forces overseas		2,071,984	2,220,043
Total charitable expenditure		2,482,238	2,746,012
Governance costs		25,658	27,181
Total resources expended		2,511,977	2,776,208
Net outgoing resources		(153,584)	(53,606)
Other recognised gains and losses			
Gains on investment assets		225,548	263,830
Exchange gains/(losses)		(39,370)	(70,826)
Net movement in funds		32,594	139,398
Fund balances at 1 January 2010		3,984,664	3,845,266
Fund balances at 31 December 2010		4,017,258	3,984,664

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

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 £	2009 £
Gross income	2,358,393	2,722,602
Gain on disposal of investment assets held by income funds	8,972	9,963
Total income	<u>2,367,365</u>	<u>2,732,565</u>
Total expenditure from income funds	<u>2,511,977</u>	<u>2,776,208</u>
Net expenditure for the year	<u>(144,612)</u>	<u>(43,643)</u>

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

STATEMENT OF RECOGNISED GAINS AND LOSSES

Net expenditure for the year	(144,612)	(43,643)
Unrealised (losses)/gains on investment assets held by income funds	216,576	253,867
Exchange gains/(losses)	(39,370)	(70,826)
	<u>32,594</u>	<u>139,398</u>

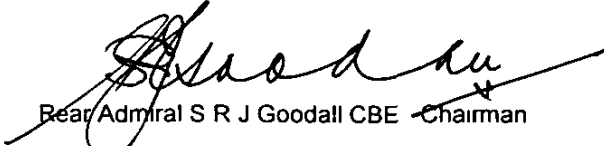
CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS

BALANCE SHEET

AS AT 31 DECEMBER 2010

	Notes	2010		2009	
		£	£	£	£
Fixed assets					
Tangible assets	14		337,497		483,972
Investments	15		3,000,767		3,034,354
			<u>3,338,264</u>		<u>3,518,326</u>
Current assets					
Stocks		413,987		476,668	
Debtors	16	37,486		30,201	
Investments		300,000		-	
Cash at bank and in hand		96,363		205,007	
			<u>847,836</u>		<u>711,876</u>
Creditors amounts falling due within one year	17	<u>(168,842)</u>		<u>(245,538)</u>	
Net current assets			<u>678,994</u>		<u>466,338</u>
Total assets less current liabilities			<u>4,017,258</u>		<u>3,984,664</u>
Income funds					
Unrestricted funds					
Designated funds	20		2,732,392		2,916,374
Other charitable funds					
Revaluation reserve		1,284,866		1,068,290	
			<u>1,284,866</u>		<u>1,068,290</u>
			<u>4,017,258</u>		<u>3,984,664</u>

The accounts were approved by the Board on 12 May 2011


Rear Admiral S R J Goodall CBE - Chairman


Mr B H Parsons FCA

Company Registration No 00034118

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £
Net cash (outflow)/inflow from operating activities	21	(67,779)	49,405
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		-	(117,515)
Payments to acquire investments	(491,386)	(311,883)	(311,883)
Receipts from sales of investments	595,480	377,583	
Net cash inflow/(outflow) from capital expenditure and financial investment		259,135	(51,815)
Management of liquid resources			
Funds invested by CESSA Housing Association Ltd	(300,000)	-	
Net cash (outflow)/inflow from management of liquid resources		(300,000)	-
Decrease in cash	22	(108,644)	(2,410)

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

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

1.1 Basis of preparation

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

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006

1.2 Incoming resources

Income from charitable trading activities principally represents retail sales and other income in CESSAC's Services Centre in Cyprus and at CESSAC Centres in Blandford Camp, HQ Land Command, Wilton, RAF Lossiemouth and 14 Regiment Royal Artillery, Larkhill 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

1.3 Resources expended

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

- expenditure incurred directly to the fulfilment of the Charity's objectives (direct charitable)
- expenditure incurred in supporting the charitable activities and in the governance of the charity
- expenditure incurred in funding grants and donations

1.4 Tangible fixed assets and depreciation

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

Freehold land is not depreciated

Freehold buildings

2% straight line basis

Leasehold property

over life of the lease

(Cyprus improvements 10% straight line)

Furniture, fittings & equipment

10 - 25% straight line basis

Motor vehicles

25% straight line basis

1.5 Investments

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

1.6 Stock

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

1.7 Pensions

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

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting Policies (continued)

1.8 Foreign currency translation

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

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

1.9 Taxation

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

1.10 Reserves

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

a An operating cost reserve equal to six months' charitable activity (£1,250,000)

b A capital fund for future opportunities and investment

2 Voluntary income

	2010 £	2009 £
Donations and gifts	<u>882</u>	<u>17,639</u>

3 Investment income

	2010 £	2009 £
Income from listed investments	54,728	33,781
Interest receivable	6,892	5
	<u>61,620</u>	<u>33,786</u>

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

4 Incoming resources from charitable activities

	2010 £	2009 £
UK Activities	361,914	509,959
Centres in Cyprus supporting HM Forces overseas	1,866,456	2,098,445
	<u>2,228,370</u>	<u>2,608,404</u>

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

5 Other incoming resources

	2010 £	2009 £
Management fees and office rent	<u>67,521</u>	<u>62,773</u>

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

6 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2010 £	Total 2009 £
Costs of generating funds						
Fundraising and publicity costs	-	-	910	-	910	-
Investment management costs	-	-	3,171	-	3,171	3,015
Total	-	-	4,081	-	4,081	3,015

Charitable activities

U K activities

Activities undertaken directly	179,791	1,800	167,541	-	349,132	464,188
Grant funding of activities	-	-	-	4,555	4,555	4,966
Support costs	50,125	490	5,952	-	56,567	56,815
Total	229,916	2,290	173,493	4,555	410,254	525,969

Centres in Cyprus supporting H M Forces overseas

Activities undertaken directly	586,253	121,295	1,314,988	-	2,022,536	2,164,368
Grant funding of activities	-	-	-	13,533	13,533	19,915
Support costs	27,427	268	8,220	-	35,915	35,760
Total	613,680	121,563	1,323,208	13,533	2,071,984	2,220,043
	843,596	123,853	1,496,701	18,088	2,482,238	2,746,012
Governance costs	17,024	167	8,467	-	25,658	27,181
	860,620	124,020	1,509,249	18,088	2,511,977	2,776,208

Governance costs include amounts payable to the auditors of £2,633 (2009- £2,560) for audit fees and £2,228 (2009- £1,191) for other services

Further detail in respect of the above costs is given in notes 7 to 12

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

7 Activities undertaken directly

	2010	2009
	£	£
Other costs relating to U K Activities comprise		
Cost of supplies	160,380	204,487
Operating costs	7,161	30,676
	<u>167,541</u>	<u>235,163</u>
Other costs relating to Centres In Cyprus Supporting H M Forces Overseas comprise		
Cost of supplies	1,111,284	1,152,886
Operating costs	196,704	221,435
Audit fees (Cyprus)	7,000	10,348
Exchange differences	-	(15,748)
	<u>1,314,988</u>	<u>1,368,921</u>

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

8 Grants payable

	2010 £	2009 £
U K activities	4,555	4,966
Centres in Cyprus supporting H M Forces overseas	13,533	19,915
	18,088	24,881

CESSAC made the following principal donations in the UK

£3,054 Grants to CESSA Housing Association Limited tenants for Christmas social functions
£1,500 Study bursaries to former pupils of military schools

CESSAC Cyprus made the following major awards during the year, all in euros

Episkopi		Value
Flight Sgt Rob Featherstone	Scouts	€ 750
Sqn Ldr Keith Mc Quillan	Early Years	€ 750
Mr Dennis Lawrence	Mount Kilimanjaro - Sponsorship	€ 322
Decompression	R&R and de-stress facilities for service personnel en route from Afghanistan	€ 1,678
		€ 3,500
Akrotiri		Value
Cpl Chris Moss	Taekwondo Club	€ 500
Sgt Andrea Culley	PTA "Golden Room"	€ 1,000
Mr Dennis Lawrence	Mount Kilimanjaro - Sponsorship	€ 322
Yo-Yo (Headless Families)	Group for Families	€ 1,678
		€ 3,500
Dhekelia		Value
Mr Dennis Lawrence	Mount Kilimanjaro - Sponsorship	€ 321
WO2 Bruce McAulay	Beds for Battle Back Cyprus	€ 1,000
Dhekelia Youth Centre	Dhekelia Youth Centre	€ 250
Jodie Hammond	Dhekelia Youth Centre	€ 100
Andrew Hallissey	Dhekelia Youth Centre	€ 50
Stacey Hallissey	Dhekelia Youth Centre	€ 50
Alex Wood	Dhekelia Youth Centre	€ 50
Aiden Wood	Dhekelia Youth Centre	€ 50
Jake Murphy	Dhekelia Youth Centre	€ 50
Macey James	Dhekelia Youth Centre	€ 50
Royal Anglians TRB	Dhekelia Youth Centre	€ 1,529
		€ 3,500

In addition other awards such as SSAFA Big Brew were again supported and €500 was donated from the sale of cups of tea €500 was also donated to each of the following, Commander's Cup at Akrotiri, The all Island Raft Race at Dhekelia, CJPU Mess at Episkopi and the Army Benevolent Fund

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

9 Support costs

	U K activities	Centres in Cyprus supporting H M Forces overseas	Total 2010	Total 2009
	£	£	£	£
Head office and management costs	4,562	6,300	10,862	12,161
Travel and associated costs	1,390	1,920	3,310	1,182
Staff costs	50,125	27,427	77,552	78,475
Depreciation	490	268	758	757
	<u>56,567</u>	<u>35,915</u>	<u>92,482</u>	<u>92,575</u>

10 Governance costs

	2010 £	2009 £
Other governance costs comprise		
Legal and professional fees	2,721	4,038
Audit and accountancy fees (Head office, UK)	4,861	3,751
Committee costs and expenses	885	1,999
	<u>8,467</u>	<u>9,788</u>

11 Council

None of the Council (or any persons connected with them) received any remuneration during the year, but 6 of them were reimbursed a total of £634 travelling expenses (2009 - 6 were reimbursed £1,245)

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

12 Employees

Number of employees

The average monthly number of employees during the year was

	2010 Number	2009 Number
Full time (UK)	3	5
Part time (UK)	8	19
Full time (Cyprus)	13	13
Part time (Cyprus)	42	45
	<u>66</u>	<u>82</u>

Employment costs

	2010 £	2009 £
Wages and salaries	797,270	912,507
Social security costs	49,874	60,853
Other pension costs	13,476	9,640
	<u>860,620</u>	<u>983,000</u>

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

13 Taxation

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

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

14 Tangible fixed assets

	Land and buildings	Furniture, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2010	944,926	569,817	131,301	1,646,044
Exchange difference	(44,909)	(24,974)	(4,872)	(74,755)
At 1 January 2010 and at 31 December 2010	900,017	544,843	126,429	1,571,289
Depreciation				
At 1 January 2010	656,360	412,151	93,561	1,162,072
Exchange difference	(31,514)	(17,418)	(3,368)	(52,300)
Charge for the year	77,297	33,925	12,798	124,020
At 31 December 2010	702,143	428,658	102,991	1,233,792
Net book value				
At 31 December 2010	197,874	116,185	23,438	337,497
At 31 December 2009	288,566	157,666	37,740	483,972

The net book value of land and buildings comprises

	2010 £	2009 £
Freeholds	10,080	10,320
Short leaseholds (under 50 years)	187,794	278,246
	197,874	288,566

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

15 Fixed asset investments

	Charinco Units £	Charishare Units £	Cash Instruments £	Charles Stanley £	Total £
Market value at 1 January 2010	723,046	937,235	864,710	509,363	3,034,354
Disposals at opening book value	-	-	(528,065)	(213,484)	(741,549)
Acquisitions at cost	-	100,000	155,041	236,345	491,386
Change in value in the year	57,470	117,245	-	41,861	216,576
Market value at 31 December 2010	780,516	1,154,480	491,686	574,085	3,000,767
Historical cost					
At 31 December 2010	200,912	496,298	491,686	527,005	1,715,901
At 31 December 2009	200,912	396,298	864,710	504,144	1,966,064

16 Debtors

	2010 £	2009 £
Trade debtors	9,715	4,008
Prepayments and accrued income	27,771	26,193
	37,486	30,201

17 Creditors' amounts falling due within one year

	2010 £	2009 £
Trade creditors	62,809	168,423
Taxes and social security costs	21,146	23,424
Accruals	84,887	53,691
	168,842	245,538

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

18 Pension and other post-retirement benefit commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £7,013 (2009- £9,640). Contributions totalling £nil (2009- £nil) were payable to the fund at the year end and are included in creditors.

19 Share capital

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

20 Designated funds

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

	Movement in funds					Balance at 31 December 2010
	Balance at 1 January 2010	Incoming resources	Resources expended	Transfers	Other gains/losses	
	£	£	£	£	£	£
Operating cost reserve	1,250,000	-	-	-	-	1,250,000
Capital fund for future opportunities	2,734,664	-	-	(183,982)	216,576	2,767,258
Less revaluation reserve	(1,068,290)	-	-	-	(216,576)	(1,284,866)
	<u>2,916,374</u>	<u>-</u>	<u>-</u>	<u>(183,982)</u>	<u>-</u>	<u>2,732,392</u>

21 Net cash (outflow)/inflow from operating activities

	2010	2009
	£	£
Reconciliation to changes in resources		
Changes in resources before revaluations	(153,584)	(53,606)
Depreciation of tangible fixed assets	124,020	138,097
Decrease in stocks	62,681	33,758
(Increase)/decrease in debtors	(7,285)	445
Decrease in creditors	(76,696)	(38,463)
Effect of exchange differences on stock, debtors and creditors	(16,915)	(30,826)
	<u>(68,279)</u>	<u>49,405</u>

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

22 Reconciliation of net cash flow to movement in net funds	2010 £	2009 £
Decrease in cash	(108,644)	(2,410)
Movement in liquid resources	300,000	-
Movement in net funds	191,356	(2,410)
Net funds at 1 January 2010	205,007	207,417
Net funds at 31 December 2010	396,363	205,007

23 Analysis of net cash balances	At 1 January 2010 £	Cash flow £	Non-cash changes £	At 31 December 2010 £
Cash at bank and in hand	205,007	(108,644)	-	96,363
Current asset investments	-	300,000	-	300,000
	205,007	191,356	-	396,363

24 Related parties

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

25 Auditors' Ethical Standards

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