

# 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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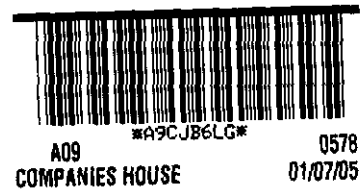
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## FINANCIAL STATEMENTS

FOR

### YEAR ENDED 31st DECEMBER 2004



Final

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(Cover)

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<b>MEMBERS OF THE COUNCIL OF CESSAC (The Trustees) at 31 December 2004</b>		
Rear Admiral A G Watson, CB	(President)	Retired Naval Officer
Brigadier C A Brown	(Chairman)	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)
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
Lieutenant Colonel A D Hincks JP (appointed 13 May 2004)		Retired Army Officer
Commander P Mayfield Royal Navy (appointed 13 May 2004)		Retired Chartered Electrical Engineer
Mr R Alexander (co-opted member)		Chartered Accountant
Mr A Siddell (co-opted member)		Retired Nursing Home General Manager

Commander M R Marks OBE Royal Navy	General Secretary and Treasurer
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<i>Auditors</i>	<i>Solicitors</i>	<i>Bankers</i>
Jones Avens Piper House, 4 Dukes Court, Bognor Road, Chichester PO19 8FX	Blake Laphorn Linnell Harbour Court, Compass Road North Harbour Portsmouth PO6 4ST	Lloyds Bank Plc 38 London Road  North End Portsmouth PO1 2RE

Note: Jones Avens were appointed as Auditors in September 2004 to succeed Grant Thornton

## REPORT OF COUNCIL

The Council comprises the directors of CESSAC, all of whom served throughout the year except for Commander Mayfield and Colonel Hincks who were elected at the May AGM. Mr Alexander and Mr Siddell were co-opted to the Council during the year. The Council presents this report together with the financial statements for the year ended 31 December 2004. The Council of CESSAC and the company's Auditors, Solicitors and Banker are listed on page 2. Following a competitive tender, Jones Avens were appointed as independent auditors in September 2004.

### 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). CESSAC is a founder member of the Council for Voluntary Welfare Work, an MOD recognised umbrella group for Christian charities supporting the Armed Forces at home and abroad.

### Objectives

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

### Activities during 2004.

For the second year running a new centre has been opened, this time for 14 Regiment Royal Artillery at Larkhill who had approached us with a view operating a cafe and recreational facility for Part Two trainees that was being vacated by the Mission to Military Garrisons, a Glasgow based charity. However, the administrative impact of opening at Wilton meant that Larkhill could not be considered until later in 2004. A proposed opening date of July slipped to September and then January 2005 because of the building work that the MOD was undertaking on the facility. That has all been undertaken with MOD and the Aldershot Church of England Trust funding for the building renovation, fixtures and fittings whilst CESSAC has committed up to £10,000 to cover the costs of portable equipment, utensils, crockery, cutlery, consumables etc.

The Cyprus Centres had a very poor start to the year as a result of the number of troops sent to Iraq combined with the impact from their dependants who moved away for family support. By Easter, the Cyprus Centres were running at a loss. Only some careful cost cutting measures by the General Manager and very careful buying by the Dhekelia Manager slowly reversed this situation. A very welcome, large demand for UK sourced Christmas presents at the end of the year pushed the turnover back towards normal with a final sales figure of £1.36M (£1.42M in 2003). As formally recorded in the Notes, there is a commitment to rebuild the Episkopi Centre. A large section of the building is clad with corrugated asbestos sheets and the kitchen fell below current health, safety and hygiene standards. This work has started and will cost some CY£190K.

The CESSAC Centre at Blandford continues to face stiff competition from several other facilities on the camp and again failed to break even on its own. It had a turnover of £130K, similar to the previous year. There are concerns about the move towards a commercial "Three into One Leisure" concept where a major, centralised facility provider is envisaged. CESSAC has received re-assurances from the Camp Command that it will still have a place at Blandford. The new centre at HQ UK Land Command, Wilton, has picked up business quickly and its sandwich delivery round, convenience shop and café increased their turnover to £193K.

The company continues with the provision of 14 sheltered flats at Glamis Court, Stubbington and a management service to Greenwich Hospital, a Crown charitable trust, at well below commercial rates. On their behalf CESSAC operates Greenwich Hospital Sheltered Housing, which has 96 sheltered flats for former seafarers in Southsea, Saltash and Greenwich.

### Charitable Donations Made

In 2004 grants and donations totalled £14,588. Established grants made included £4,877 for the annual CESSAC Awards towards welfare support in the British bases in Cyprus, three Annual Study/Bursary Awards totalling £2,700 for dependants of service personnel totalling were given as well as £2,739 in support for CESSAC and CESSA Housing Association's elderly ex-Service tenants for Christmas social functions. Smaller grants were made in Cyprus to the King Richard School (an expedition for military dependants), the Joint Services Golf Club to sponsor tournaments and others.

### Results

2004 trading activities resulted in a surplus of income over expenditure of £155,148. However, there was an additional increase in the balances of £217,586 resulting from unrealised gains on investments and exchange differences.

### 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.

### Auditors

Jones Avens 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  
12 May 2005

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**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 2004, which comprise the balance sheet, the statement of financial activities and notes 1 to 20. 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 2004 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.



**Jones Avens**  
Chartered Accountants  
Registered Auditor

12 May 2005

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

**BALANCE SHEET AT 31 DECEMBER 2004**

	<u>Note</u>	<u>2004</u>	<u>2004</u>	<u>2003</u>	<u>2003</u>
	<u>s</u>				
		£	£	£	£
<b>Fixed Assets</b>					
Tangible fixed assets	13		616,783		641,493
Investments	16		<u>2,282,473</u>		<u>2,072,489</u>
<b>Total Fixed Assets:</b>			<u>2,899,256</u>		<u>2,713,982</u>
<b>Current Assets</b>					
Stock		216,494		231,710	
Debtors	14	12,550		16,977	
Cash at bank, short term deposits, in hand		<u>858,870</u>		<u>716,420</u>	
		1,087,914		965,107	
<b>Creditors:</b>					
amounts falling due within one year	15	<u>(129,702)</u>		<u>(194,355)</u>	
<b>Net Current Assets:</b>			958,212		770,752
<b>NET ASSETS</b>			<u>3,857,468</u>		<u>3,484,734</u>
Short Term Tactical Reserve	17	661,000		661,000	
Medium Term Opportunistic Reserve	17	500,000		500,000	
Long Term Reserve	17	2,696,468		2,323,734	
(See note on page 10)					
		<u>3,857,468</u>		<u>3,484,734</u>	

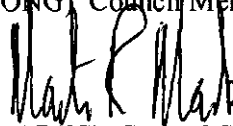
The financial statements were approved by the Council of CESSAC on 12th May 2005 and were signed on its behalf by:



(C A Brown) Chairman



(A C LONG) 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 2004

<b>Income and Expenditure</b>	<i>Notes</i>	<u>Unrestricted Funds 2004 £</u>	<u>Unrestricted Funds 2003 £</u>
<b>Incoming Resources</b>			
Subscriptions and donations		1,121	1,837
Activities for generating funds:			
Income from charitable trading activities	3	1,698,254	1,599,313
Net income for non-charitable activities		45,054	42,129
Rents receivable – Sheltered Housing		47,202	45,338
Investment Income	11	51,391	44,842
<b>Total Incoming Resources</b>		<u>1,843,022</u>	<u>1,733,459</u>
<b>Resources Expended</b>			
Cost of generating funds: Fundraising and Publicity	6	69	165
Charitable expenditure:			
Direct Charitable Expenditure	4	1,566,975	1,454,568
Sheltered Housing for the Elderly	5	28,832	29,837
Grants and donations		14,588	27,357
Management and administration of the charity	7	77,401	104,815
<b>Total Resources Expended</b>		<u>1,687,865</u>	<u>1,616,742</u>
<b>Net Incoming Resources before revaluations – and surplus of Income over Expenditure for the year</b>		<u>155,157</u>	<u>116,717</u>
<b>Other Recognised Gains and Losses</b>			
Unrealised exchange gains/(losses)		7,602	26,793
Unrealised gains on investments		209,984	236,924
<b>Total</b>		<u>217,586</u>	<u>263,717</u>
<b>Net Movement of Funds</b>		372,734	380,434
Balance brought forward at 1 January		3,484,734	3,104,300
<b>Balance carried forward at 31 December</b>		<u>3,857,468</u>	<u>3,484,734</u>

The accompanying Accounting Policies and Notes form an integral part of these Financial Statements.
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**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2004****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 at CESSAC Centres in Blandford Camp, HQ Land Command, Wilton and 14 Regiment Royal Artillery, Larkhill with other operating income arising from sheltered lettings and income fees for managing sheltered lettings, owned by other charitable bodies, for ex-members of HM Forces and their spouses.

**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.

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 2003).

The number of freehold sheltered flats owned by CESSAC total 14 (2003 - 14). Sheltered flats under management, but not owned by CESSAC, total 91 (2003 - 91).

Tangible fixed assets, other than freehold properties, are stated at cost less accumulated depreciation. Freehold property that is sheltered housing, was professionally valued in 2001. The Head Office building is valued at cost. Depreciation is calculated to write off the cost over the expected life of the asset and is charged as follows:

Freehold property	2% straight line basis
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.

## Reserves

Reserves have been established as follows:

- a. A Short Term Tactical Reserve, which will include 3 months of typical expenditure by CESSAC UK, CESSAC Cyprus plus the Maintenance Reserve. This is to cover any short-term setbacks, cash flow difficulties or unexpected, large maintenance demands.
- b. A Medium Term Opportunistic Reserve that will allow CESSAC to evolve and take advantage of strategic opportunities.
- c. A Long Term Reserve to generate working income and growth to maintain its value. CESSAC UK Centres have difficulty in breaking even and thus provide no incoming resources for donations and other expenses. This has absorbed the former Housing Reserve, should it ever be required for a new development. Current trends, however, indicate a declining demand for sheltered housing.

### Designated Maintenance Reserve (part of the Short Term Tactical 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** (now part of the Long Term 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

**3. INCOMING RESOURCES - TURNOVER**

	2004	2003
	£	£
Incoming Resources derive from UK activities plus income from charitable trading activities deriving from the CESSAC Centres in Cyprus supporting HM Forces overseas	323,133	165,519
	1,375,121	1,433,794
<b>Totals:</b>	<b>1,698,254</b>	<b>1,599,313</b>

**4. DIRECT CHARITABLE EXPENDITURE**

	2004	2003
	£	£
Cost of Supplies	946,566	920,322
Salaries	459,252	387,463
Operating Costs	106,183	120,166
Depreciation	58,456	55,710
Audit fees (Cyprus)	5,243	4,992
Exchange difference	(8,725)	(8,900)
<b>Totals:</b>	<b>1,566,975</b>	<b>1,479,753</b>

**5. SHELTERED HOUSING FOR THE ELDERLY**

	2004	2003
	£	£
Management cost	1,363	1,683
Repairs and maintenance	5,590	6,832
Service costs	14,294	13,977
Depreciation	7,585	7,345
<b>Totals:</b>	<b>28,832</b>	<b>29,837</b>

**6. FUNDRAISING AND PUBLICITY**

	2004	2003
	£	£
Advertising	69	165

**7. MANAGEMENT AND ADMINISTRATION**

	2004	2003
	£	£
Salaries	51,658	56,134
Head Office & Management Operating costs	13,435	13,159
Building Upkeep and Maintenance	111	35
Legal and Professional fees	2,326	452
Audit fees (Head Office, UK)	3,120	2,934
Travel & associated costs	2,695	2,619
Depreciation	4,296	4,297
<b>Totals:</b>	<b>77,641</b>	<b>79,630</b>

8. TOTAL RESOURCES EXPENDED	Staff Costs	Depreciation	Other Expenditure	Total	Total
				2004	2003
	£	£	£	£	£
Direct charitable purposes	459,252	58,456	1,049,267	1,566,975	1,454,568
Sheltered Housing	1,363	7,585	19,884	28,832	29,837
Fundraising and publicity	-	-	69	69	165
Management & administration	51,658	4,056	21,687	77,401	104,815
Grants and donations	-	-	14,588	14,588	27,357
<b>Totals:</b>	<b>512,273</b>	<b>70,097</b>	<b>1,105,495</b>	<b>1,687,865</b>	<b>1,616,742</b>

## 9. DIRECTORS' EMOLUMENTS

No member of the Council of CESSAC received any emoluments in 2004. (2003 - Nil).

Total expenses reimbursed to Council members in respect of travel costs and subsistence, not chargeable to UK income tax, totalled £3,990 (2003 - £3,653).

## 10. EMPLOYEE INFORMATION

Average Weekly Number of Staff employed during the Year			Staff costs		
Category of Staff	2004	2003	Category of Cost	2004	2003
	No.	No.		£	£
Full time (UK)	9	5	Wages & salaries (UK)	173,836	123,847
Part time (UK)	9	8	UK Social Security (NI) costs	8,860	7,128
Full time (Cyprus)	22	26	Non-UK Employees' costs (Cyprus)	334,445	309,043
Part time (Cyprus)	14	17	Employer pension contributions	3,167	3,579
<b>Total:</b>	<b>54</b>	<b>56</b>	<b>Total:</b>	<b>520,308</b>	<b>443,597</b>

The above amounts include £ 24,326 (2002 - £24,641) 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. See also Note 18 - Pensions.

No employee earned more than £50,000 per annum (2003 - nil)

## 11. INTEREST RECEIVABLE AND SIMILAR INCOME

	2004	2003
	£	£
Interest receivable from bank/building society deposits	23,680	17,588
Dividends from quoted securities	27,711	27,254
<b>Total:</b>	<b>51,391</b>	<b>44,842</b>

## 12. SURPLUS OF INCOME OVER EXPENDITURE

	2004	2003
	£	£
<b>Surplus of income over expenditure is stated after charging:</b>		
Depreciation - tangible owned fixed assets	70,097	67,352
Auditors' remuneration (inclusive of expenses/VAT) - audit services:		
Deloitte & Touche (Cyprus)	5,243	4,992
Jones Avens (United Kingdom) 2004 / Grant Thornton (UK) 2003	3,120	2,934

**13. 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 2004	459,902	285,876	262,042	62,712	1,070,532
Difference on exchange	-	3,897	3,022	492	7,411
Additions/improvements during year	0	7,596	20,496	18,846	46,938
Disposals/Transfers	0	0	0	(9,815)	(9,815)
<b>At 31 December 2004</b>	<b>459,902</b>	<b>297,369</b>	<b>285,560</b>	<b>72,235</b>	<b>1,115,066</b>
<b>Depreciation</b>					
At 1 January 2004	7,585	243,778	141,809	35,867	429,039
Difference on exchange	-	3,322	1,468	246	5,036
Charge for year	7,585	14,959	31,548	16,005	70,097
Disposals/Transfers	0	0	0	(5,889)	(5,889)
<b>At 31 December 2004</b>	<b>15,170</b>	<b>262,059</b>	<b>174,825</b>	<b>46,229</b>	<b>498,283</b>
<b>Net book value:</b>					
<b>At 31 December 2004</b>	<b>444,732</b>	<b>35,310</b>	<b>110,735</b>	<b>26,006</b>	<b>616,783</b>
At 31 December 2003	452,317	42,098	120,233	26,845	641,493

**14. DEBTORS**

	2004 £	2003 £
Trade Debtors	1,506	358
Prepayments & other debtors	11,044	16,619
<b>Total:</b>	<b>12,550</b>	<b>16,977</b>

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

	2004 £	2003 £
Trade Creditors	93,296	175,827
VAT	21,773	9,998
Other creditors and accruals	14,633	8,530
<b>Total:</b>	<b>129,702</b>	<b>194,355</b>

**16. LISTED INVESTMENTS**

	31 December 2004 £	Units purchased in 2004 £	Change in Market Value in 2004 £	31 December 2003 £
<b>Holdings and market values:</b>				
Charinco Accumulation Units	691,616	0	41,101	650,515
Charinco Distribution Units	11,098	0	88	11,010
Charishare Accumulation Units	715,188	0	88,117	627,071
Charishare Distribution Units	864,571	0	80,678	783,893
<b>Total:</b>	<b>2,282,473</b>	<b>0</b>	<b>209,984</b>	<b>2,072,489</b>
<b>Cost at 31 December</b>	<b>927,033</b>	<b>0</b>	<b>0</b>	<b>927,033</b>

**17. RESERVES (All unrestricted)**

	Short Term Tactical Reserve £	Medium Term Opportunistic Reserve £	Long Term Reserves £	TOTALS £
Balance at 1 January 2003	661,000	500,000	2,323,734	3,484,734
Transfer from Statement of Financial Activities	0	0	372,734	372,734
<b>Balance at 31 December 2004</b>	<b>661,000</b>	<b>500,000</b>	<b>2,696,468</b>	<b>3,857,468</b>

**18. PENSIONS**

The company operates a defined contribution pension scheme for the benefit of employees. The Pension Fund, a trust totally independent of the company administers the scheme. However, all eligible members of staff have declined participation in this scheme. The pension costs shown in Note 10 relate to a CESSAC contribution to CESSA Housing Association in respect of the pension costs of the General Secretary, administered through The Pension Trust's Social Housing Pension Scheme (SHPS). The pension cost charge for the year was £3,167 (2002: £3,579).

**19. CAPITAL COMMITMENTS**

a. CESSAC is committed to rebuilding the Episkopi Centre in Cyprus at a cost of CY£188,800 (£230,244 approx). Work has commenced and completion, weather depending, is due for July 2005. (2003 - nil in Cyprus)

b. CESSAC agreed to a partnership with 14 Regiment, Royal Artillery at Larkhill in 2004. A trainee gunners' café and recreational facility has been refurbished and opened in January 2005 under CESSAC management. CESSAC offered to provide up to £10,000 towards the set-up costs of this project. As a result of programme delays only £605 was spent in FY2004 plus a further £6,000 early in FY2005 with the remainder to follow. Additional finance was provided from MOD funds and in the form of a grant from the Aldershot Church of England Trust. (2003 - £10,000 for the new Larkhill Centre).

**20. CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 December 2004. (2003 - Nil).