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Charity Registration No. 226684

Company Registration No. 00034118 (England and Wales)

**CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS
LIMITED BY GUARANTEE
COUNCIL MEMBERS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011**



**CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS
LIMITED BY GUARANTEE
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 Ruffie

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
LIMITED BY GUARANTEE
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CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS LIMITED BY GUARANTEE COUNCIL MEMBERS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The Council present their report and accounts for the year ended 31 December 2011

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 00034118) 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
Captain A C Long Royal Navy
Commander P T Mayfield Royal Navy
Mr B H Parsons FCA
Lt Col D Ruffe

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.

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.

**CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS
LIMITED BY GUARANTEE
COUNCIL MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

Cyprus Centres

The trends to shop online and off site rather than in the on-camp supermarket have continued during 2011 and contributed to an overall decline in turnover of 9.2% when compared to 2010. Whilst the average sale spend remained similar to the previous year the number of purchases reduced by 15,000. Plans to reduce stock levels significantly were not as successful as expected and will need immediate attention in 2012. A substantial deficit was recorded and whilst Dhekelia and Akrotiri posted surpluses, Nicosia and in particular Episkopi experienced deficits which will require investigation and reorganisation in 2012.

UK Centres

Whilst the Blandford Centre has continued to return a surplus during 2011 the loss of the sandwich round there has reduced sales by 23% compared with 2010 and careful management of staff has been needed to keep overheads down. At Larkhill and Lossiemouth deficits were recorded and the UK Centres as a whole returned a £5,000 deficit at year end. Overall income was down 33% on 2010. All three centres continue to provide a much valued service and good quality product to an appreciative customer base and present an alternative to the contractors' monopoly of mess catering and other outlets.

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 cafés 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 to £2,608,404 in 2009, £2,358,393 in 2010 and £2,089,393 in 2011 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"

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 Centre there.

**CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS
LIMITED BY GUARANTEE
COUNCIL MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

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. During 2011 the charity made a grant of £300,000 to enable CESSA Housing Association to undertake a modernisation programme at a sheltered housing scheme where tenants had to leave their studio flats to go to a communal bathroom for a bath or shower. CESSAC has also agreed to make a loan of £520,000 in 2012 to redeem the HA Building loans. The loan will be repaid at £40,000 per year. This will reduce the fixed repayment sum due to the mortgage holder by £500,000 and the repayment period will drop from 36 to 20 years.

Financial review

The net outgoing resources for the year were £498,582 and this includes the grant of £300,000 to CESSA Housing Association for remodelling work at Trafalgar Court and the reduction of incoming resources in Cyprus. Other recognised losses were on investment values (£36,225) and on exchange (£13,329) which leads to a total net loss of £548,136.

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.

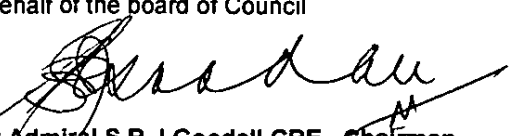
Disclosure of information to auditors

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
Council Member
Dated 10 May 2012

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS LIMITED BY GUARANTEE 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 LIMITED BY GUARANTEE 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 2011 set out on pages 7 to 23. 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 charity'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. In addition, we read all the financial and non-financial information in the Council Members' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 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.

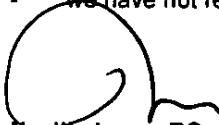
**CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS
LIMITED BY GUARANTEE
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

**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 10 May 2012

**CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS
LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 £	2010 £
<u>Incoming resources from generated funds</u>			
Voluntary income	2	-	882
Investment income	3	65,587	61,620
		<u>65,587</u>	<u>62,502</u>
Incoming resources from charitable activities	4	1,950,631	2,228,370
Other incoming resources	5	71,175	67,521
		<u>71,175</u>	<u>67,521</u>
Total incoming resources		<u>2,087,393</u>	<u>2,358,393</u>
<u>Resources expended</u>			
Costs of generating funds			
Fundraising and publicity costs		-	910
Investment management costs		3,756	3,171
		<u>3,756</u>	<u>3,171</u>
		<u>3,756</u>	<u>4,081</u>
Charitable activities			
U K activities		328,220	410,254
Centres in Cyprus supporting H M Forces overseas		1,929,755	2,071,984
Sheltered housing refurbishment funding		300,000	-
		<u>328,220</u>	<u>410,254</u>
		<u>1,929,755</u>	<u>2,071,984</u>
		<u>300,000</u>	<u>-</u>
Total charitable expenditure		<u>2,557,975</u>	<u>2,482,238</u>
Governance costs		24,244	25,658
		<u>24,244</u>	<u>25,658</u>
Total resources expended		<u>2,585,975</u>	<u>2,511,977</u>
Net outgoing resources		<u>(498,582)</u>	<u>(153,584)</u>
Other recognised gains and losses			
(Losses)/gains on investment assets		(36,225)	225,548
Exchange gains/(losses)		(13,329)	(39,370)
		<u>(36,225)</u>	<u>225,548</u>
		<u>(13,329)</u>	<u>(39,370)</u>
Net movement in funds		<u>(548,136)</u>	<u>32,594</u>
Fund balances at 1 January 2011		4,017,258	3,984,664
		<u>4,017,258</u>	<u>3,984,664</u>
Fund balances at 31 December 2011		<u><u>3,469,122</u></u>	<u><u>4,017,258</u></u>

**CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS
LIMITED BY GUARANTEE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 £	2010 £
Gross income	2,087,393	2,358,393
Gain on disposal of investment assets held by income funds	29,986	4,861
Total income	2,117,379	2,363,254
Total expenditure from income funds	2,585,975	2,511,977
Net expenditure for the year	(468,596)	(148,723)

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 23, 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	(468,596)	(148,723)
Unrealised (losses)/gains on investment assets held by income funds	(66,211)	220,687
Exchange gains/(losses)	(13,329)	(39,370)
	(548,136)	32,594

NOTE OF HISTORICAL COST INCOME AND EXPENDITURE

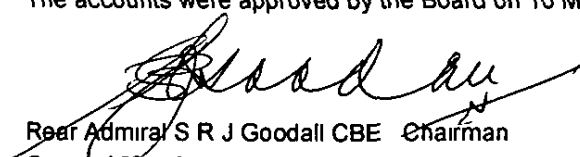
	2011 £	2010 £
Reported net expenditure for the year	(468,596)	(148,723)
Realisation of investment asset revaluation gains of previous years	333,570	4,111
Historical cost net expense	(135,026)	(144,612)

**CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS
LIMITED BY GUARANTEE
BALANCE SHEET**

AS AT 31 DECEMBER 2011

	Notes	2011		2010	
		£	£	£	£
Fixed assets					
Tangible assets	14	235,038		337,497	
Investments	15	2,661,393		3,000,767	
		<u>2,896,431</u>		<u>3,338,264</u>	
Current assets					
Stocks		370,074		413,987	
Debtors	16	38,662		37,486	
Investments		300,000		300,000	
Cash at bank and in hand		88,857		96,363	
		<u>797,593</u>		<u>847,836</u>	
Creditors' amounts falling due within one year	17	<u>(224,902)</u>		<u>(168,842)</u>	
Net current assets		<u>572,691</u>		<u>678,994</u>	
Total assets less current liabilities		<u><u>3,469,122</u></u>		<u><u>4,017,258</u></u>	
Income funds					
Unrestricted funds					
Designated funds	20	2,584,037		2,732,392	
Other charitable funds					
Revaluation reserve		<u>885,085</u>		<u>1,284,866</u>	
		<u>885,085</u>		<u>1,284,866</u>	
		<u><u>3,469,122</u></u>		<u><u>4,017,258</u></u>	

The accounts were approved by the Board on 10 May 2012


Rear Admiral S R J Goodall CBE Chairman
Council Member


Mr B H Parsons FCA
Council Member

Company Registration No. 00034118

**CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS
LIMITED BY GUARANTEE
CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Net cash outflow from operating activities	21	(307,051)	(67,779)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	(3,604)	-	
Payments to acquire investments	(664,108)	(491,386)	
Receipts from sales of investments	967,257	750,521	
Net cash inflow from capital expenditure and financial investment		299,545	259,135
Management of liquid resources			
Funds invested by CESSA Housing Association Ltd	-	(300,000)	
Net cash inflow/(outflow) from management of liquid resources		-	(300,000)
Decrease in cash	22	(7,506)	(108,644)

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS LIMITED BY GUARANTEE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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 over life of the lease
Leasehold property	(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
LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

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' chantable activity (£1,250,000)
- b A capital fund for future opportunities and investment

2 Voluntary income

	Total 2011 £	Total 2010 £
Donations and gifts	-	882

3 Investment income

	2011 £	2010 £
Income from listed investments	57,186	54,728
Interest receivable	8,401	6,892
	<u>65,587</u>	<u>61,620</u>

**CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS
LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

4 Incoming resources from charitable activities

	2011 £	2010 £
UK Activities	245,302	361,914
Centres in Cyprus supporting HM Forces overseas	<u>1,705,329</u>	<u>1,866,456</u>
	<u>1,950,631</u>	<u>2,228,370</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

	2011 £	2010 £
Management fees and office rent	<u>71,175</u>	<u>67,521</u>

**CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS
LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

6 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2011 £	Total 2010 £
Costs of generating funds						
Fundraising and publicity costs	-	-	-	-	-	910
Investment management costs	-	-	3,756	-	3,756	3,171
Total	-	-	3,756	-	3,756	4,081
Charitable activities						
<u>U K activities</u>						
Activities undertaken directly	137,502	1,800	112,763	-	252,065	349,132
Grant funding of activities	-	-	-	14,707	14,707	4,555
Support costs	54,924	127	6,397	-	61,448	56,567
Total	192,426	1,927	119,160	14,707	328,220	410,254
<u>Centres in Cyprus supporting H M Forces overseas</u>						
Activities undertaken directly	584,568	96,967	1,199,437	-	1,880,972	2,022,536
Grant funding of activities	-	-	-	9,825	9,825	13,533
Support costs	30,053	70	8,835	-	38,958	35,915
Total	614,621	97,037	1,208,272	9,825	1,929,755	2,071,984
<u>Sheltered housing refurbishment funding</u>						
Grant funding of activities	-	-	-	300,000	300,000	-
	807,047	98,964	1,327,432	324,532	2,557,975	2,482,238
Governance costs	18,654	43	5,547	-	24,244	25,658
	825,701	99,007	1,336,735	324,532	2,585,975	2,511,977

Governance costs include amounts payable to the auditors of £2,725 (2010- £2,633) for audit fees and £(57) (2010- £2,228) 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
LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011**

7 Activities undertaken directly

	2011	2010
	£	£
Other costs relating to U K Activities comprise		
Cost of supplies	89,999	141,839
Operating costs	22,764	25,702
	<u>112,763</u>	<u>167,541</u>
Other costs relating to Centres In Cyprus Supporting H M Forces Overseas comprise		
Cost of supplies	1,003,287	1,111,284
Operating costs	187,176	196,704
Audit fees (Cyprus)	8,974	7,000
	<u>1,199,437</u>	<u>1,314,988</u>

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8 Grants payable

	2011 £	2010 £
U K activities	14,707	4,555
Centres in Cyprus supporting H M Forces overseas	9,825	13,533
Sheltered housing refurbishment funding	300,000	-
	324,532	18,088

CESSAC made the following principal donations in the UK

£2,987 Grants to CESSA Housing Association Limited tenants for Christmas social functions
£1,500 Study bursaries to former pupils of military schools
£10,000 Veterans Aid donation
£220 other sundry donations

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

SPONSORSHIP	VALUE
Agios Nikolaos Golf Club	€500 00
All Island Horse Show	€100 00
2 Lancs Lourdes Tnp	€500 00
Akrotiri Station Commanders Cup	€250 00
Nicosia Golf Club	€250 00
ESBA Scouts Swimathon	€350 00
Carter Cup	€2,115 00
JSSU Walkdown	€250 00
SSAFA 10k Challenge	€125 00
Dhekelia Midnight Walk	€1,500 00
TPMH RAF Akrotiri Golf Club	€500 00
TOTAL	€6,440 00
DONATIONS	VALUE
Army Rugby Union	€500 00
Lee Yarnell - STARS	€250 00
Derek Rayner - 2 Lancs	€250 00
Trophies for Field Catering Event	€250 00
St John's School Year 11 Prom	€100 00
St John's School Citizenship Awards	€250 00
TPMH Open Arms Big Breakfast	€500 00
Dhekelia Fiji Day	€100 00
St John Ambulance	€2,000 00
Royal British Legion	€1,000 00
RAF Akrotiri Xmas Fete	€500 00
TOTAL	€5,700 00
Various smaller donations to clubs, activities, etc	

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9 Support costs

	U K activities	Centres in Cyprus supporting H M Forces overseas	Total 2011	Total 2010
	£	£	£	£
Head office and management costs	5,649	7,801	13,450	10,862
Travel and associated costs	748	1,034	1,782	3,310
Staff costs	54,924	30,053	84,977	77,552
Depreciation	127	70	197	758
	<u>61,448</u>	<u>38,958</u>	<u>100,406</u>	<u>92,482</u>

10 Governance costs

	2011 £	2010 £
Other governance costs comprise		
Legal and professional fees	2,462	2,721
Audit and accountancy fees (Head office, UK)	2,668	4,861
Committee costs and expenses	417	885
	<u>5,547</u>	<u>8,467</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 £310 travelling expenses (2010 - 6 were reimbursed £634)

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NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

12 Employees

Number of employees

The average monthly number of employees during the year was

	2011	2010
	Number	Number
Full time (UK)	3	3
Part time (UK)	8	8
Full time (Cyprus)	11	13
Part time (Cyprus)	40	42
	<u>62</u>	<u>66</u>

Employment costs

	2011	2010
	£	£
Wages and salaries	762,284	797,270
Social security costs	53,377	49,874
Other pension costs	10,040	13,476
	<u>825,701</u>	<u>860,620</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

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FOR THE YEAR ENDED 31 DECEMBER 2011**

14 Tangible fixed assets

	Land and buildings	Furniture, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2011	900,017	544,843	126,429	1,571,289
Exchange difference	(19,418)	(10,798)	(2,106)	(32,322)
Additions	-	3,604	-	3,604
At 31 December 2011	880,599	537,649	124,323	1,542,571
Depreciation				
At 1 January 2011	702,143	428,658	102,991	1,233,792
Exchange difference	(15,312)	(8,258)	(1,696)	(25,266)
Charge for the year	61,520	25,301	12,188	99,007
At 31 December 2011	748,351	445,701	113,481	1,307,533
Net book value				
At 31 December 2011	132,248	91,948	10,842	235,038
At 31 December 2010	197,874	116,185	23,438	337,497

The net book value of land and buildings comprises:

	2011	2010
	£	£
Freeholds	9,840	10,080
Short leaseholds (under 50 years)	122,408	187,794
	132,248	197,874

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NOTES TO THE ACCOUNTS (CONTINUED)
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15 Fixed asset investments

	Charinco Units £	Charishare Units £	Cash Instruments £	Charles Stanley £	Total £
Market value at 1 January 2011	780,516	1,154,480	491,686	574,085	3,000,767
Disposals at opening book value	(440,335)	-	(340,772)	(156,164)	(937,271)
Acquisitions at cost	-	-	514,008	150,100	664,108
Change in value in the year	36,553	(102,182)	-	(582)	(66,211)
Market value at 31 December 2011	376,734	1,052,298	664,922	567,439	2,661,393
Historical cost					
At 31 December 2011	87,566	496,298	664,922	527,522	1,776,308
At 31 December 2010	200,912	496,298	491,686	527,005	1,715,901

16 Debtors

	2011 £	2010 £
Trade debtors	9,489	9,715
Other debtors	270	-
Prepayments and accrued income	28,903	27,771
	38,662	37,486

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17 Creditors, amounts falling due within one year	2011 £	2010 £
Trade creditors	158,968	62,809
Taxes and social security costs	13,343	21,146
Accruals	52,591	84,887
	<u>224,902</u>	<u>168,842</u>

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 £10,040 (2010- £13,476). Contributions totalling £nil (2010- £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.

	Balance at 1 January 2011 £	Incoming resources £	Movement in funds			Other gains/losses £	Balance at 31 December 2011 £
			Resources expended £	Transfers £			
Operating cost reserve	1,250,000	-	-	-	-	1,250,000	
Capital fund for future opportunities	2,767,258	-	-	(148,355)	(399,781)	2,219,122	
Less revaluation reserve	(1,284,866)	-	-	-	399,781	(885,085)	
	<u>2,732,392</u>	<u>-</u>	<u>-</u>	<u>(148,355)</u>	<u>-</u>	<u>2,584,037</u>	

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21 Net cash outflow from operating activities	2011	2010
	£	£
Reconciliation to changes in resources		
Changes in resources before revaluations	(498,582)	(153,584)
Depreciation of tangible fixed assets	99,007	124,020
Decrease in stocks	43,913	62,681
Increase in debtors	(1,176)	(7,285)
Increase/(decrease) in creditors	56,060	(76,696)
Effect of exchange differences on stock, debtors and creditors	(6,273)	(16,915)
	(307,051)	(67,779)

22 Reconciliation of net cash flow to movement in net funds	2011	2010
	£	£
Decrease in cash	(7,506)	(108,644)
Movement in liquid resources	-	300,000
Movement in net funds	(7,506)	191,356
Net funds at 1 January 2011	396,363	205,007
Net funds at 31 December 2011	388,857	396,363

23 Analysis of net cash balances	At 1 January 2011	Cash flow	Non-cash changes	At 31 December 2011
	£	£	£	£
Cash at bank and in hand	96,363	(7,506)	-	88,857
Current asset investments	300,000	-	-	300,000
	396,363	(7,506)	-	388,857

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.

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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