

Co Ltd

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 2012



**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 RAF Commander S F Carter Royal Navy Air Commodore D J Hamilton-Rump RAF Commander A E Mizen Royal Navy Commander P T Mayfield Royal Navy Mr B H Parsons FCA Lieutenant Colonel D B Ruffle RE Commander J F J Simpson Royal Navy Commander R E Williams Royal Navy Ms J H Evans
Secretary	Commander P C Keefe 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 Lapthorn Harbour Court, Compass Road North Harbour Portsmouth Hampshire PO6 4ST

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

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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 2012

The Council present their report and accounts for the year ended 31 December 2012

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 Allistone CBE	RAF
Brigadier C A Brown	(Deceased 19 August 2012)
Commander S F Carter	Royal Navy (Appointed 8 May 2012)
Air Commodore D J Hamilton-Rump	RAF (Appointed 8 May 2012)
Captain A C Long	Royal Navy (Resigned 8 May 2012)
Commander A E Mizen	Royal Navy (Appointed 8 May 2012)
Commander P T Mayfield	Royal Navy
Mr B H Parsons	FCA
Lieutenant Colonel D B Ruffle	RE
Commander J F J Simpson	Royal Navy (Appointed 8 May 2012)
Commander R E Williams	Royal Navy (Appointed 8 May 2012)
Ms J H Evans	(Appointed 8 May 2012)

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 Chief Executive Officer 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 Chief Executive Officer.

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
LIMITED BY GUARANTEE
COUNCIL MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012**

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

Following the very heavy losses incurred in 2011, drastic action was taken to reduce the overheads early in the year. New management at Episkopi has eliminated the loss from the snack bar, contributing to the 10% improvement in snack bar percentage of gross profit, despite reduced turnover. Nevertheless, online shopping for more expensive items has continued to depress turnover in the shops while the remaining items often have lower margins. The combination of these factors reduced the shops' gross profit by 21% compared with 2011. Better buying and targeted reductions have successfully reduced stock levels very significantly, but more work is to be done and new approaches are being considered. Although a deficit was still recorded in 2012, the reduced overheads will be fully seen this year, which together with new enterprises holds every prospect of a small surplus being generated in 2013.

UK Centres

Fortunately the Blandford Centre has continued to return a surplus that roughly matches the losses incurred at Lossiemouth. However, at Larkhill, following a reduction in throughput for a combination of reasons, turnover continued to drop. When the lease renewal would have imposed new charges of some £12,000 a year, the Trustees concluded the deficit incurred could no longer be justified for the degree of benefit delivered. The decision was therefore taken, reluctantly, to close it at the end of 2012. This action alone should eliminate the overall losses for UK Centres, especially when it is now clear that a new surplus-generating centre is being opened at RAF Mount Pleasant. This section will probably read 'UK & Falklands' Centres next year as a consequence.

Housing

CESSAC continues to manage 91 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 2011.

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, £2,089,393 in 2011 and £1,800,328 in 2012, 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

**CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS
LIMITED BY GUARANTEE
COUNCIL MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012**

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"

Apart from the subsequent inclusion of Sailors and later Airmen, that precept is at least as valid today as it was then. CESSAC continues to provide Centres in the UK and Cyprus (and is about to in the South Atlantic) to provide those welfare facilities and any surpluses are used to improve the service. For example, in Cyprus over the last 7 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 35 years, both directly for the benefit of tenants but also for building improvements. The charity's £300,000 grant in 2011 enabled the modernisation programme at Trafalgar Court, while it made a loan of £520,000 at a reduced interest rate in 2012 to redeem the HA Building loans taken out when rates were over 10%. That loan will be repaid at £40,000 per year, which 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 £160,593. Other recognised gains and losses were gains on investment values of £111,714 and losses on exchange of (£9,532) which leads to a total net loss of £58,411.

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 9 May 2013

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 2012 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 24 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 2012 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



**Claire Norwood BSc FCA ATII (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 9 May 2013

**CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS
LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	2012 £	2011 £
<u>Incoming resources from generated funds</u>			
Investment income	2	74,897	65,587
Incoming resources from charitable activities	3	1,640,907	1,950,631
Other incoming resources	4	84,524	71,175
Total incoming resources		1,800,328	2,087,393
<u>Resources expended</u>	5		
Costs of generating funds			
Investment management costs		3,326	3,756
Charitable activities			
U K activities		256,516	328,220
Centres in Cyprus supporting H M Forces overseas		1,669,654	1,929,755
Sheltered housing refurbishment funding		-	300,000
Falklands centre		7,374	-
Total charitable expenditure		1,933,544	2,557,975
Governance costs		24,051	24,244
Total resources expended		1,960,921	2,585,975
Net outgoing resources		(160,593)	(498,582)
Other recognised gains and losses			
Gains/(losses) on investment assets		111,714	(36,225)
Exchange gains/(losses)		(9,532)	(13,329)
Net movement in funds		(58,411)	(548,136)
Fund balances at 1 January 2012		3,469,122	4,017,258
Fund balances at 31 December 2012		3,410,711	3,469,122

**CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS
LIMITED BY GUARANTEE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 £	2011 £
Gross income	1,800,328	2,087,393
Gain on disposal of investment assets held by income funds	3,600	29,986
Total income	1,803,928	2,117,379
Total expenditure from income funds	1,960,921	2,585,975
Net expenditure for the year	(156,993)	(468,596)

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	(156,993)	(468,596)
Unrealised (losses)/gains on investment assets held by income funds	108,114	(66,211)
Exchange gains/(losses)	(9,532)	(13,329)
	(58,411)	(548,136)

NOTE OF HISTORICAL COST INCOME AND EXPENDITURE

	2012 £	2011 £
Reported net expenditure for the year	(156,993)	(468,596)
Realisation of investment asset revaluation gains of previous years	108,106	333,570
Historical cost net expense	(48,887)	(135,026)

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

AS AT 31 DECEMBER 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	13	172,623		235,038	
Investments	14	2,865,203		2,661,393	
		<u>3,037,826</u>		<u>2,896,431</u>	
Current assets					
Stocks		240,601		370,074	
Debtors	15	32,542		38,662	
Investments		-		300,000	
Cash at bank and in hand		204,120		88,857	
		<u>477,263</u>		<u>797,593</u>	
Creditors' amounts falling due within one year	16	<u>(104,378)</u>		<u>(224,902)</u>	
Net current assets		<u>372,885</u>		<u>572,691</u>	
Total assets less current liabilities		<u><u>3,410,711</u></u>		<u><u>3,469,122</u></u>	
Income funds					
Unrestricted funds					
Designated funds	19	2,525,618		2,584,037	
Other charitable funds					
Revaluation reserve		<u>885,093</u>		<u>885,085</u>	
		<u>885,093</u>		<u>885,085</u>	
		<u><u>3,410,711</u></u>		<u><u>3,469,122</u></u>	

The accounts were approved by the Board on 9 May 2013


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 2012**

	Notes	2012 £	2011 £
Net cash outflow from operating activities	20	(76,293)	(307,051)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	(25,754)	(3,604)	
Payments to acquire investments	(876,246)	(664,108)	
Receipts from sales of tangible fixed assets	9,406	-	
Receipts from sales of investments	784,150	967,257	
Net cash (outflow)/inflow from capital expenditure and financial investment		(108,444)	299,545
Management of liquid resources			
Repayment of funds invested by CESSA HA Ltd	300,000	-	
Net cash inflow from management of liquid resources		300,000	-
Increase/(decrease) in cash	21	115,263	(7,506)

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

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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
LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012**

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 Accumulated funds

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

A further reserve has been established representing the investment in social housing by way of a long term loan to Cessa Housing Association Limited

1.10 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

2 Investment income

	2012 £	2011 £
Income from listed investments	61,897	57,186
Interest receivable	13,000	8,401
	<u>74,897</u>	<u>65,587</u>

**CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS
LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012**

3 Incoming resources from charitable activities

	2012 £	2011 £
UK Activities	168,422	245,302
Centres in Cyprus supporting HM Forces overseas	1,467,332	1,705,329
Falklands centre	5,153	-
	<u>1,640,907</u>	<u>1,950,631</u>

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

4 Other incoming resources

	2012 £	2011 £
Net gain on disposal of fixed assets	9,406	-
Management fees and office rent	75,118	71,175
	<u>84,524</u>	<u>71,175</u>

**CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS
LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012**

5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2012 £	Total 2011 £
Costs of generating funds						
Investment management costs	-	-	3,326	-	3,326	3,756
Charitable activities						
<u>U K activities</u>						
Activities undertaken directly	114,284	1,800	75,495	-	191,579	252,065
Grant funding of activities	-	-	-	5,296	5,296	14,707
Support costs	50,565	127	8,949	-	59,641	61,448
Total	164,849	1,927	84,444	5,296	256,516	328,220
<u>Centres in Cyprus supporting H M Forces overseas</u>						
Activities undertaken directly	502,647	80,970	1,039,797	-	1,623,414	1,880,972
Grant funding of activities	-	-	-	6,143	6,143	9,825
Support costs	27,668	70	12,359	-	40,097	38,958
Total	530,315	81,040	1,052,156	6,143	1,669,654	1,929,755
<u>Sheltered housing refurbishment funding</u>						
Grant funding of activities	-	-	-	-	-	300,000
<u>Falklands centre</u>						
Activities undertaken directly	5,153	-	-	-	5,153	-
Grant funding of activities	-	-	-	2,221	2,221	-
Total	5,153	-	-	2,221	7,374	-
	700,317	82,967	1,136,600	13,660	1,933,544	2,557,975
Governance costs	17,173	43	6,835	-	24,051	24,244
	717,490	83,010	1,146,761	13,660	1,960,921	2,585,975

Governance costs include amounts payable to the auditors of £2,795 (2011- £2,725) for audit fees and £820 (2011- £(57)) 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 2012**

6 Activities undertaken directly

	2012 £	2011 £
Other costs relating to U K Activities comprise		
Cost of supplies	57,609	89,999
Operating costs	17,886	22,764
	<u>75,495</u>	<u>112,763</u>
Other costs relating to Centres In Cyprus Supporting H M Forces Overseas comprise		
Cost of supplies	839,439	1,003,287
Operating costs	190,250	187,176
Audit fees (Cyprus)	8,000	8,974
Exchange differences on costs paid in the UK	2,108	-
	<u>1,039,797</u>	<u>1,199,437</u>

**CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS
LIMITED BY GUARANTEE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012**

7 Grants payable

	2012 £	2011 £
U K activities	5,296	14,707
Centres in Cyprus supporting H M Forces overseas	6,143	9,825
Sheltered housing refurbishment funding	-	300,000
Falklands centre	2,221	-
	<u>13,660</u>	<u>324,532</u>

CESSAC made the following principal donations in the UK

£3,228 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

Donations	VALUE
St Paul's Church, RAF Akrotiri	€ 300
Akrotiri Youth Services	€ 500
Forces Children's Trust	€ 150
Episkopi Jelly Tots Playgroup	€ 750
WRVS Single Soldiers Trp	€ 250
Trophies Episkopi Youth Club	€ 187
Episkopi Golf Club Easter Egg	€ 115
Dhekelia Primary School Healthy Breakfast	€ 100
Dhekelia Tennis Club	€ 100
WSBA Homestart	€ 150
Episkopi Medical Centre	€ 150
Akrotiri Rugby Club	€ 200
Dhekelia St Barnabas Church	€ 150
Dhekelia Fete Costs	€ 830
Episkopi Fete Costs	€ 110
Various	€ 290
TOTAL	€4,332
Various smaller donations to	
BFBS, Akrotiri Library, RAF Football Association,	
Episkopi St John's School, 2 Yorks,	
Jamie Inglis Appeal (Neuroblastoma Alliance), JES,	
Episkopi Medical Centre, Akrotiri Creche, Akrotiri	

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8 Support costs

	U K activities	Centres in Cyprus supporting H M Forces overseas	Total 2012	Total 2011
	£	£	£	£
Head office and management costs	6,531	9,019	15,550	13,450
Travel and associated costs	2,418	3,340	5,758	1,782
Staff costs	50,565	27,668	78,233	84,977
Depreciation	127	70	197	197
	<u>59,641</u>	<u>40,097</u>	<u>99,738</u>	<u>100,406</u>

9 Governance costs

	2012 £	2011 £
Other governance costs comprise		
Legal and professional fees	2,168	2,462
Audit and accountancy fees (Head office, UK)	3,675	2,668
Committee costs and expenses	992	417
	<u>6,835</u>	<u>5,547</u>

10 Council

None of the Council (or any persons connected with them) received any remuneration during the year, but 4 of them were reimbursed a total of £855 travelling expenses (2011 - 6 were reimbursed £310)

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11 Employees

Number of employees

The average monthly number of employees during the year was

	2012	2011
	Number	Number
Full time (UK)	3	3
Part time (UK)	9	8
Full time (Cyprus)	11	15
Part time (Cyprus)	31	43
	54	69

Employment costs

	2012	2011
	£	£
Wages and salaries	671,259	762,284
Social security costs	38,195	53,377
Other pension costs	8,036	10,040
	717,490	825,701

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

12 Taxation

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

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13 Tangible fixed assets

	Land and buildings	Furniture, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2012	880,599	537,649	124,323	1,542,571
Exchange difference	(20,159)	(11,295)	(2,187)	(33,641)
Additions	-	25,754	-	25,754
Disposals	-	(37,574)	-	(37,574)
At 31 December 2012	860,440	514,534	122,136	1,497,110
Depreciation				
At 1 January 2012	748,351	445,701	113,481	1,307,533
Exchange difference	(17,319)	(9,161)	(2,002)	(28,482)
On disposals	-	(37,574)	-	(37,574)
Charge for the year	49,289	25,693	8,028	83,010
At 31 December 2012	780,321	424,659	119,507	1,324,487
Net book value				
At 31 December 2012	80,119	89,875	2,629	172,623
At 31 December 2011	132,248	91,948	10,842	235,038

The net book value of land and buildings comprises:

	2012 £	2011 £
Freeholds	9,600	9,840
Short leaseholds (under 50 years)	70,519	122,408
	80,119	132,248

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14 Fixed asset investments

	Charinco Units	Charishare Units	Cash Instruments	Cessa Housing Association Limited	Charles Stanley	Total
	£	£	£	£	£	£
Market value at 1 January 2012	376,734	1,052,298	664,922	-	567,439	2,661,393
Disposals at opening book value	(149,595)	-	(482,692)	(27,000)	(121,263)	(780,550)
Acquisitions at cost	-	-	-	520,000	356,246	876,246
Change in value in the year	15,470	78,877	-	-	13,767	108,114
Market value at 31 December 2012	242,609	1,131,175	182,230	493,000	816,189	2,865,203
Historical cost						
At 31 December 2012	52,795	496,298	182,230	493,000	755,787	1,980,110
At 31 December 2011	87,566	496,298	664,922	-	527,522	1,776,308

15 Debtors

	2012 £	2011 £
Trade debtors	6,752	9,489
Other debtors	-	270
Prepayments and accrued income	25,790	28,903
	32,542	38,662

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16 Creditors' amounts falling due within one year	2012	2011
	£	£
Trade creditors	13,765	158,968
Taxes and social security costs	11,732	13,343
Accruals	78,881	52,591
	<u>104,378</u>	<u>224,902</u>

17 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 £8,036 (2011- £10,040). Contributions totalling £nil (2011- £nil) were payable to the fund at the year end and are included in creditors.

18 Share capital

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

19 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	Movement in funds			Balance at
	1 January	Incoming	Resources	Transfers	31 December
	2012	resources	expended		2012
	£	£	£	£	£
Operating cost reserve	1,250,000	-	-	-	1,250,000
Investment in Cessa Housing Association Ltd	-	-	-	493,000	493,000
Capital fund for future opportunities	2,219,122	-	-	(551,411)	1,667,711
Less revaluation reserve	(885,085)	-	-	(8)	(885,093)
	<u>2,584,037</u>	<u>-</u>	<u>-</u>	<u>(58,419)</u>	<u>2,525,618</u>

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20 Net cash outflow from operating activities	2012	2011
	£	£
Reconciliation to changes in resources		
Changes in resources before revaluations	(160,593)	(498,582)
Depreciation of tangible fixed assets	83,010	99,007
Profit on disposal of tangible fixed assets	(9,406)	-
Decrease in stocks	129,473	43,913
Decrease/(increase) in debtors	6,120	(1,176)
(Decrease)/Increase in creditors	(120,524)	56,060
Effect of exchange differences on stock, debtors and creditors	(4,373)	(6,273)
	<u>(76,293)</u>	<u>(307,051)</u>

21 Reconciliation of net cash flow to movement in net funds	2012	2011
	£	£
Increase/(decrease) in cash	115,263	(7,506)
Movement in liquid resources	(300,000)	-
Movement in net funds	(184,737)	(7,506)
Net funds at 1 January 2012	388,857	396,363
Net funds at 31 December 2012	<u>204,120</u>	<u>388,857</u>

22 Analysis of net cash balances	At 1 January 2012	Cash flow	Non-cash changes	At 31 December 2012
	£	£	£	£
Cash at bank and in hand	88,857	115,263	-	204,120
Current asset investments	300,000	(300,000)	-	-
	<u>388,857</u>	<u>(184,737)</u>	<u>-</u>	<u>204,120</u>

23 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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24 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