

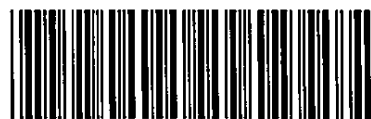
Charity Registration No. 226684

Company Registration No 34118 (England and Wales)

CHURCH OF ENGLAND SOLDIERS', SAILORS' AND ARMEN'S CLUBS
COUNCIL MEMBERS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009



WEDNESDAY



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COMPANIES HOUSE

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

LEGAL AND ADMINISTRATIVE INFORMATION

Council	Rear Admiral S R J Goodall CBE Chairman Air Commodore M J Allisstone CBE Brigadier C A Brown President Group Captain G Bowyer Commander G A Greaves Royal Navy Captain A C Long Royal Navy Commander P T Mayfield Royal Navy Mr B H Parsons FCA Mr D W Russell Mr A Siddall
Secretary	Commander M J Pearce Royal Navy
Charity number	226684
Company number	34118
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

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

COUNCIL MEMBERS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

The Council present their report and accounts for the year ended 31 December 2009

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005

Structure, governance and management

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

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

Rear Admiral S R J Goodall CBE Chairman
Air Commodore M J Allisstone CBE
Brigadier C A Brown President
Group Captain G Bowyer
Commander G A Greaves Royal Navy
Captain A C Long Royal Navy
Commander P T Mayfield Royal Navy
Mr B H Parsons FCA
Mr D W Russell
Mr A Siddall

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.

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

COUNCIL MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

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

Cyprus Centres

The continued downturn in the number of servicemen serving in Cyprus and the poor Euro/Sterling exchange rate have not just halted growth of turnover but reduced it by 14% to £2 220M. The shops in particular experienced a drop in trade, partly through customers having fewer Euros to spend but also because of increased competition off camp. In contrast the cafeterias recorded a small growth in turnover principally due to an upturn at Dhekelia where the cafeteria was modernized at the end of 2008 and, as a consequence, the popularity of the venue has increased. At Easter the Akrotiri kitchen was most successfully updated to modern standards.

UK Centres

All three centres have continued to face challenges from the MOD contractors that now provide the on-site catering and amenity facilities. However CESSAC has been allowed to remain in operation and the licences to run mobile sandwich rounds, whilst under constant scrutiny, have not yet been withdrawn thanks primarily to the quality of the service and customer insistence that quality must not be compromised. The number of lunch buffets has continued to increase and this service contributes substantially to the financial viability of the centres. The coffee shop facility in the foyer of the HQ Land building at Wilton went from strength to strength in 2009 and turnover easily surpassed all the forecast targets. Unfortunately the Wilton site will close in June 2010 and the Centre and Coffee shop with it.

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 off in 2009 to £2,608,404 from a high of £3,025,702 in 2008.

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

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

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

COUNCIL MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

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

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

Financial review

The net outgoing resources for the year were £53,605 and this reflects the reduction in investment income and the reduction in incoming resources in Cyprus Other recognized losses and gains were a gain on investment value of £263,830 and loss on exchange of £70,826 which leads to a total net gain of £139,398

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 ways in which surplus funds may be raised This level of reserves has been maintained throughout the year

Asset cover for funds

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

Disclosure of information to auditors

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

Auditors

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

On behalf of the board of Council


Rear Admiral S R J Goodall CBE Chairman

Dated 13 May 2010

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

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

The Council, who are also the directors of Church of England Soldiers', Sailors' and Airmen's Clubs for the purpose of company law, are responsible for preparing the Council Members' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Council to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year

In preparing these accounts, the Council are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accounts of Church of England Soldiers', Sailors' and Airmen's Clubs for the year ended 31 December 2009 set out on pages 7 to 22. These accounts have been prepared in accordance with the accounting policies set out on pages 11 to 12.

This report is made solely to the charitable company's members, as a body, in accordance with Sections 495 and 496 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 described on page 4, 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 preparing the Council Members' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the accounts give a true and fair view.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Council Members' Report is consistent with those accounts.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's accounts are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Council Members' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity'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 accounts 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 accounts.

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

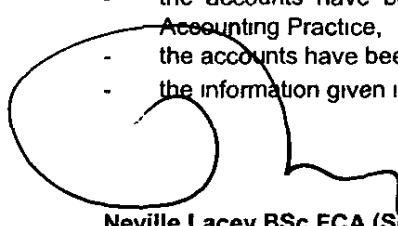
INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

Opinion

In our opinion

- the accounts give a true and fair view of the state of the charity's affairs as at 31 December 2009, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the accounts have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the accounts have been prepared in accordance with the Companies Act 2006, and
- the information given in the Council Members' Report is consistent with the accounts


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 13 May 2010

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

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
<u>Incoming resources from generated funds</u>			
Voluntary income	2	17,639	3,903
Investment income	3	33,786	59,123
		<u>51,425</u>	<u>63,026</u>
Incoming resources from charitable activities	4	2,608,404	3,025,702
Other incoming resources	5	62,773	60,168
		<u>2,722,602</u>	<u>3,148,896</u>
Total incoming resources			
<u>Resources expended</u>	6		
Costs of generating funds			
Fundraising and publicity costs		-	116
Investment management costs		3,015	1,365
		<u>3,015</u>	<u>1,481</u>
Charitable activities			
U K activities		525,969	536,160
Centres in Cyprus supporting H M Forces overseas		2,220,043	2,583,839
Sheltered housing flats transferred to Cessa HA		-	411,177
		<u>2,746,012</u>	<u>3,531,176</u>
Total charitable expenditure			
Governance costs		27,181	26,362
		<u>2,776,208</u>	<u>3,559,019</u>
Total resources expended			
Net outgoing resources		(53,606)	(410,123)
Other recognised gains and losses			
Gains/(losses) on investment assets		263,830	(684,130)
Exchange gains/(losses)		(70,826)	224,154
		<u>139,398</u>	<u>(870,099)</u>
Net movement in funds			
Fund balances at 1 January 2009		3,845,266	4,715,365
Fund balances at 31 December 2009		<u>3,984,664</u>	<u>3,845,266</u>

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

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 £	2008 £
Gross income	2,722,602	3,148,896
Gain/(loss) on disposal of investment assets held by income funds	9,963	(414,486)
Total income	2,732,565	2,734,410
Total expenditure from income funds	2,776,208	3,559,019
Net expenditure for the year	(43,643)	(824,609)

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

STATEMENT OF RECOGNISED GAINS AND LOSSES

Net expenditure for the year	(43,643)	(824,609)
Unrealised (losses)/gains on investment assets held by income funds	253,867	(269,644)
Exchange gains/(losses)	(70,826)	224,154
	139,398	(870,099)

NOTE OF HISTORICAL COST INCOME AND EXPENDITURE

	2009 £	2008 £
Reported net expenditure for the year	(43,643)	(824,609)
Realisation of investment asset revaluation gains of previous years	-	1,018,551
Historical cost net (expense)/income	(43,643)	193,942

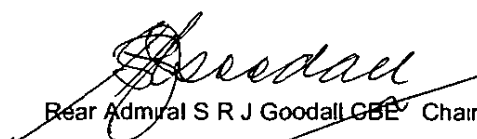
CHURCH OF ENGLAND SOLDIERS', SAILORS' AND AIRMEN'S CLUBS

BALANCE SHEET

AS AT 31 DECEMBER 2009

	Notes	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	14	483,972		544,554	
Investments	15	3,034,354		2,836,224	
		<u>3,518,326</u>		<u>3,380,778</u>	
Current assets					
Stocks		476,668		510,426	
Debtors	16	30,201		30,646	
Cash at bank and in hand		205,007		207,417	
		<u>711,876</u>		<u>748,489</u>	
Creditors amounts falling due within one year	17	<u>(245,538)</u>		<u>(284,001)</u>	
Net current assets		<u>466,338</u>		<u>464,488</u>	
Total assets less current liabilities		<u><u>3,984,664</u></u>		<u><u>3,845,266</u></u>	
Income funds					
Unrestricted funds					
Designated funds	20	2,916,374		3,030,843	
Other charitable funds					
Revaluation reserve		<u>1,068,290</u>		<u>814,423</u>	
		<u>1,068,290</u>		<u>814,423</u>	
		<u><u>3,984,664</u></u>		<u><u>3,845,266</u></u>	

The accounts were approved by the Board on 13 May 2010


Rear Admiral S R J Goodall CBE Chairman


Mr B H Parsons FCA

Company Registration No 34118

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
Net cash inflow from operating activities	21	49,405	148,439
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	(117,515)	(132,524)	
Payments to acquire investments	(311,883)	(1,074,591)	
Receipts from sales of tangible fixed assets	-	1,699	
Receipts from sales of investments	377,583	1,083,888	
Net cash outflow from capital expenditure and financial investment		(51,815)	(121,528)
(Decrease)/increase in cash	22	(2,410)	26,911

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

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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 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 directly in the effort to raise voluntary contributions (fundraising and publicity)
- expenditure incurred in supporting the charitable activities and in the governance of the charity
- expenditure incurred in funding grants and donations

1.4 Tangible fixed assets and depreciation

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

Freehold land is not depreciated

Freehold buildings	2% straight line basis
Leasehold property	over life of the lease
	(Cyprus improvements 10% straight line)
Furniture, fittings & equipment	10 - 25% straight line basis
Motor vehicles	25% straight line basis

1.5 Investments

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

1.6 Stock

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

1.7 Pensions

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

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting Policies

(continued)

1.8 Foreign currency translation

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

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

1.9 Taxation

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

1.10 Reserves

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

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

b A capital fund for future opportunities and investment

2 Voluntary income

	2009 £	2008 £
Donations and gifts	17,639	3,903

3 Investment income

	2009 £	2008 £
Income from listed investments	33,781	57,697
Interest receivable	5	1,426
	33,786	59,123

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

4 Incoming resources from charitable activities

	2009 £	2008 £
UK Activities	509,959	479,904
Centres in Cyprus supporting HM Forces overseas	2,098,445	2,545,798
	<u>2,608,404</u>	<u>3,025,702</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

	2009 £	2008 £
Net gain on disposal of fixed assets	-	1,699
Management fees and office rent	62,773	58,469
	<u>62,773</u>	<u>60,168</u>

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

6 Total resources expended

	Staff costs	Depreciation	Other costs	Grant funding	Total 2009	Total 2008
	£	£	£	£	£	£
Costs of generating funds						
Fundraising and publicity costs	-	-	-	-	-	116
Investment management costs	-	-	3,015	-	3,015	1,365
Total	-	-	3,015	-	3,015	1,481

Charitable activities

U K activities

Activities undertaken directly	223,175	5,850	235,163	-	464,188	455,267
Grant funding of activities	-	-	-	4,966	4,966	27,013
Support costs	50,722	489	5,604	-	56,815	53,880
Total	273,897	6,339	240,767	4,966	525,969	536,160

Centres in Cyprus supporting H M Forces overseas

Activities undertaken directly	664,124	131,323	1,368,921	-	2,164,368	2,516,128
Grant funding of activities	-	-	-	19,915	19,915	31,721
Support costs	27,753	268	7,739	-	35,760	35,990
Total	691,877	131,591	1,376,660	19,915	2,220,043	2,583,839

Sheltered housing flats transferred to Cessa HA

Activities undertaken directly	-	-	-	-	-	411,177
	965,774	137,930	1,617,427	24,881	2,746,012	3,531,176
Governance costs	17,226	167	9,788	-	27,181	26,362
	983,000	138,097	1,630,230	24,881	2,776,208	3,559,019

Governance costs include amounts payable to the auditors of £2,560 (2008- £2,560) for audit fees and £1,191 (2008- £3,429) for other services

Sheltered housing for the elderly - 14 flats at Glamis Court owned by CESSAC were transferred to CESSA Housing Association Limited (a charitable housing association) at nil consideration, effective 1 Jan 2008. These flats had a cost of £447,902 and a carrying value of £411,177. The disposal of £411,177 is reflected above.

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

7 Activities undertaken directly

	2009 £	2008 £
Other costs relating to U K Activities comprise		
Cost of supplies	204,487	202,188
Operating costs	30,676	34,278
	<u>235,163</u>	<u>236,466</u>
Other costs relating to Centres In Cyprus Supporting H M Forces Overseas comprise:		
Cost of supplies	1,152,886	1,439,775
Operating costs	221,435	223,348
Audit fees (Cyprus)	10,348	11,195
Exchange differences	(15,748)	(10,430)
	<u>1,368,921</u>	<u>1,663,888</u>

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

8 Grants payable

	2009 £	2008 £
U K activities	4,966	27,013
Centres in Cyprus supporting H M Forces overseas	19,915	31,721
	24,881	58,734

CESSAC made the following principal donations in the UK

£2,840 Grants to CESSA Housing Association tenants for Christmas social functions

£500 Study bursaries to former pupils of military schools

£1,383 for the purchase of a painting and barometer for Glamis Court from the legacy left by former CESSAC president Admiral Watson

CESSAC Cyprus made the following major awards during the year, all in euro's

Episkopi	Project	Value
Early Years	Nappy changing facility	€1,500
Homestart	Supporting volunteers drop in	€500
2 Lanes	Kids play area Kensington Cove	€1,500
		€3,500
Akrotiri	Project	Value
Turtle Watch	Students Accommodation Charges	€500
First Steps	Educational Toys	€500
Musical Tots	Floor Mats	€200
Rugby Club	Junior Rugby Uniforms	€500
Girl Guides	Water Cooler in Scouts and Guide Hut	€200
Kart Racing Club	Track repair and kart maintenance	€600
Primary School	New playground designed by kids	€1,000
		€3,500
Dhekelia	Project	Value
King Richard School	Church Stain Glass window 50th Anniversary	€500
Sharks Swimming Club	Replacement swimming aids & pool hire	€1,000
Scouts	Repair & Refurbish shade over external sinks	€1,000
54 AEC	Transport Costs Dhekelia Carol Service	€1,000
Homestart	Volunteers Christmas Party	€100
		€3,600

In addition other awards ranging from €850 to the SSAFA Big Brew to €4 70 to Bumps and Babes and totalling €10,189 were made. Contributions in the form of goods to the value of €1,342 were also donated to a variety of charity stallholders and as raffle prizes

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

9 Support costs

	U K activities	Centres in Cyprus supporting H M Forces overseas	Total 2009	Total 2008
	£	£	£	£
Head office and management costs	5,108	7,053	12,161	17,056
Travel and associated costs	496	686	1,182	1,528
Staff costs	50,722	27,753	78,475	70,530
Depreciation	489	268	757	756
	<u>56,815</u>	<u>35,760</u>	<u>92,575</u>	<u>89,870</u>

10 Governance costs

	2009 £	2008 £
Other governance costs comprise		
Legal and professional fees	4,038	3,097
Audit and accountancy fees (Head office, UK)	3,751	5,989
Committee costs and expenses	1,999	1,626
	<u>9,788</u>	<u>10,712</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 £1,245 travelling expenses (2008- 6 were reimbursed £729)

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

12 Employees

Number of employees

The average monthly number of employees during the year was

	2009 Number	2008 Number
Full time (UK)	5	17
Part time (UK)	19	10
Full time (Cyprus)	13	23
Part time (Cyprus)	45	30
	<u>82</u>	<u>80</u>

Employment costs

	2009 £	2008 £
Wages and salaries	912,507	963,665
Social security costs	60,853	54,748
Other pension costs	9,640	5,038
	<u>983,000</u>	<u>1,023,451</u>

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

13 Taxation

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

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

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

14 Tangible fixed assets

	Land and buildings	Furniture, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2009	940,568	584,057	122,105	1,646,730
Exchange difference	(70,271)	(40,339)	(7,591)	(118,201)
Additions	74,629	26,099	16,787	117,515
At 31 December 2009	944,926	569,817	131,301	1,646,044
Depreciation				
At 1 January 2009	618,828	398,373	84,975	1,102,176
Exchange difference	(46,723)	(26,697)	(4,781)	(78,201)
Charge for the year	84,255	40,475	13,367	138,097
At 31 December 2009	656,360	412,151	93,561	1,162,072
Net book value				
At 31 December 2009	288,566	157,666	37,740	483,972
At 31 December 2008	321,740	185,684	37,130	544,554

The net book value of land and buildings comprises:

	2009 £	2008 £
Freeholds	10,320	10,560
Short leaseholds (under 50 years)	278,246	311,180
	288,566	321,740

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

15 Fixed asset investments

	Charinco Units £	Charishare Units £	Cash Instruments £	Charles Stanley £	Total £
Market value at 1 January 2009	705,525	588,394	1,074,591	467,714	2,836,224
Disposals at opening book value	-	-	(209,881)	(157,739)	(367,620)
Acquisitions at cost	-	150,000	-	161,883	311,883
Change in value in the year	17,521	198,841	-	37,505	253,867
Market value at 31 December 2009	723,046	937,235	864,710	509,363	3,034,354
Historical cost					
At 31 December 2009	200,912	396,298	864,710	504,144	1,966,064
At 31 December 2008	200,912	246,298	1,074,591	500,000	2,021,801

16 Debtors

	2009 £	2008 £
Trade debtors	4,008	3,934
Prepayments and accrued income	26,193	26,712
	30,201	30,646

17 Creditors, amounts falling due within one year

	2009 £	2008 £
Trade creditors	168,423	209,498
Taxes and social security costs	23,424	23,571
Accruals	53,691	50,932
	245,538	284,001

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

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 £9,640 (2008- £5,038). Contributions totalling £nil (2008- £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 2009	Incoming resources	Movement in funds			Other gains/losses	Balance at 31 December 2009
	£	£	Resources expended	Transfers		£	£
Operating cost reserve	1,250,000	-	-	-	-	-	1,250,000
Capital fund for future opportunities	2,595,266	-	-	(114,469)	253,867		2,734,664
Less revaluation reserve	(814,423)	-	-	-	(253,867)		(1,068,290)
	<u>3,030,843</u>	<u>-</u>	<u>-</u>	<u>(114,469)</u>	<u>-</u>		<u>2,916,374</u>

21 Net cash inflow from operating activities

	2009 £	2008 £
Reconciliation to changes in resources		
Changes in resources before revaluations	(53,606)	(410,123)
Depreciation of tangible fixed assets	138,097	134,526
Loss on disposal of tangible fixed assets	-	409,478
Decrease/(increase) in stocks	33,758	(172,881)
Decrease in debtors	445	13,224
(Decrease)/Increase in creditors	(38,463)	78,623
Effect of exchange differences on stock, debtors and creditors	(30,826)	95,592
	<u>49,405</u>	<u>148,439</u>

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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

22 Reconciliation of net cash flow to movement in net funds	2009 £	2008 £
(Decrease)/increase in cash	(2,410)	26,911
Net funds at 1 January 2009	207,417	180,506
Net funds at 31 December 2009	205,007	207,417

23 Analysis of net cash balances

	At 1 January 2009 £	Cash flow £	Non-cash changes £	At 31 December 2009 £
Cash at bank and in hand	207,417	(2,410)	-	205,007
	207,417	(2,410)	-	205,007

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.