

Charity registration number 226684

Company registration number 00034118 (England and Wales)

CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

LEGAL AND ADMINISTRATIVE INFORMATION

Council Members	Rear Admiral A R Rymmer CEng (Chairman) Colonel C E H Ackroyd TD RD DL (Vice Chairman) Mr I H Currie FCA Ms G Grindell MSc (Appointed 22 June 2022) Commander A E Mizen RN Commander J F J Simpson RN Commander S J Snowball RN Mr D J Foster FCA Mr S D Rice (Appointed 2 February 2022)
Chief Executive Officer	Commander P C Keefe RN
Secretary	Commander P C Keefe RN
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
Auditor	Jones Avens Limited Piper House 4 Dukes Court Bognor Road Chichester West Sussex PO19 8FX
Bankers	Lloyds Bank Plc 113 Commercial Road Portsmouth Hampshire PO1 1BY

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

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Blake Morgan LLP
Harbour Court
Compass Road
North Harbour
Portsmouth
Hampshire
PO6 4ST

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

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

COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Council members present their report and financial statements for the year ended 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Church of England Soldiers', Sailors' & Airmen's Clubs (short title: CESSAC) originated in Aldershot in 1857 to provide an alcohol-free, non-proselytising home-from-home for soldiers. Its founding precept (circa 1881) included its intention: "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". The success of the original facility resulted in many others being opened over the years (and many closing again to match changing demand). Apart from the fact that the charity's reach has extended to cover sailors and then airmen, that precept remains as true today. CESSAC's principal aim is still, therefore, the operation of homely, welcoming amenity centres at military bases to improve the morale and wellbeing of service personnel and/or their families. At 31 December 2022, there were 9 such centres, 4 in one group (all in Cyprus) and another group with 4 in UK and one in the Falklands.

Other aims were added in the 1970s; to relieve persons who have served in H.M. Forces and the dependants of such persons as are in need of assistance including the provision and management of housing. This enabled CESSAC to contribute to the establishment of CESSA Housing Association Limited (CESSA HA), a separate charitable organisation that owns and operates sheltered housing for elderly ex-Service people, their spouses, widows, widowers and immediate relatives. CESSAC has since provided grants to CESSA HA and other eligible charities in furtherance of this aim.

CESSAC still shares its Head Office and some staff with CESSA HA, although both organisations have their own Boards and operate independently. The latter is accountable to the Regulator of Social Housing and the Financial Conduct Authority. The relationship with CESSA HA resulted in CESSAC entering into an agreement with Greenwich Hospital, a Crown Royal Navy Charity, to manage its sheltered housing (GHS) for former members of the Naval Service in the 1980s. Although reviewed regularly, this symbiotic relationship continues to this day, providing advantages for all parties.

CESSAC is a founder member (1939) of the Council for Voluntary Welfare Work (CVWW), which enables it to operate in Armed Forces establishments at home and abroad under a charter with the Ministry of Defence (MoD) – planned to become a new Memorandum of Understanding (MoU). The Charter between the MoD and CVWW recognises that the amenity centres provided by member organisations require a certain amount of primary trading in order to be sustainable. The income received is therefore one indicator of whether the centres are being used by the beneficiaries and hence meeting their welfare needs. However, there are many factors outside the charity's control, particularly changes in the number of Service personnel present in any location, and just because a centre operates at a loss does not mean it is not needed. For this reason, the current and anticipated use of each centre is regularly reviewed against the perceived benefit being provided in an attempt to best match the running costs across all of them with the likely income overall. Thus a loss-making centre perceived to be meeting a particular welfare need can be supported financially by surpluses generated elsewhere. This is detailed in a separate Impact Statement focussed on the charity's stakeholders, visible on its website. The current aim is that CESSAC's proportion of Head Office costs are funded by income on investments and from other sources. Major improvements/repairs are paid for from the long-term growth in the capital value of the investments.

The Council members have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. The beneficiaries and the respective public benefits are detailed separately at the end of this report under each of the 4 registered objects. The Council members review the strategy every 2 years to provide clear priorities for the detailed business plan, and have continued to confirm that the objects (see page 6) do not need to be revised.

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

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

Due to the nature of CESSAC and its objects, its activities have already been described above; mainly the operation of its amenity centres (for objects i & iii) and ongoing support to CESSA HA and GHSH (object ii), as well as other eligible charities. Significant grants are only made when funds permit (but smaller grants for objects ii, iii & iv are made annually – see Note 10). While CESSAC welcomes volunteers, particularly in places like the Falklands, the nature of its work generally results in reliance on paid staff.

Achievements and performance

General. The legal restrictions for the Covid pandemic were finally lifted in UK on 31 March, only to be succeeded by a cost of living crisis. There was a thorough review of the charity's strategy this year, which recognised the limited financial scope for new initiatives. Therefore, it remains 'steady as she goes', although CESSAC will continue to look for new places that would benefit from its services. The review encompassed the policies on reserves and investments. Although the RAF has adopted gender neutral ranks e.g. Airmen & women are all now 'Aviators', the Council decided not to rush to change the Airmen in the title just yet. Following the sad death of CESSAC's patron in September, the charity awaits the result of the Royal family's reconsideration of patronages. Meanwhile, a new 4th Vice President has been appointed - the outgoing Commander British Forces Cyprus, Major General Thomson. A bursary for a naval sponsored ordinand is now in its second year (see Note 10).

Other work focussing on our charitable output and future plans continued. The Welfare Amenity Committee (WAC) undertook its annual review of centre performance, confirming the continued relevance and charitable output of all of them. CEO continues to represent CESSAC at meetings of CVWW and Cobseo, the Confederation of Service Charities. These provide invaluable information, insight and opportunities to work with other charities.

Centres in the Falklands and UK. These are straightforward coffee shops or cafes providing a homely and welcoming environment for Service personnel and their families, often adjacent to recreational facilities and/or the chaplaincy. Accordingly, each has a relatively modest turnover (all under £100K) with the Falklands and Blandford the highest. The biggest news of the year was that we managed to seize the unexpected opportunity to take over the café in the Aldershot Garrison Community Hub in May. This was made possible by CESSAC's membership of the Council of Voluntary Welfare Work, whose colleagues in 'Sandes' were having to withdraw. It could only occur, however, thanks to considerable hard work by staff, supported by the Garrison and with a grant from sister charity ACESS. Indeed, we also have ACESS to thank for a further £20k for the long-overdue refurbishment at Blandford. Meanwhile, Colchester & Woodbridge each benefited from generous local funding for new furniture and both were thanked for their Jubilee efforts. In July, the opportunity was taken to explore the potential for a centre at MoD Lyneham, but sadly the constraints proved this would not be viable. The Oasis in the Falklands remains aptly named as the place that provides refuge & relief in a barren landscape. Being an airfield and 35 miles from Port Stanley, transport is essential here and yet very challenging to obtain, so we hope the latest car lasts longer than its predecessors. The station has kindly funded a new coffee machine.

Centres in Cyprus. Unlike the other centres, some of CESSAC's locations in Cyprus include shops selling a permitted variety of often UK-sourced goods difficult to otherwise obtain. The rise of internet shopping and changing habits has continued to reduce turnover in shops. In response we have increased the proportion of centres devoted to café space. The Area Manager has managed to negotiate a number of local grants to augment CESSAC's funding for improvements at all 3 open centres this year. Dhekelia now has a marvellous new sunshade and the café area has expanded with new furniture into what used to be part of the underused shop. The latter has generated much use from those wishing to be in a temperature-controlled environment. Episkopi continues to perform really well. The reflooring and redecoration at Akrotiri have transformed the look there, which was enjoyed by an unusual number of the Naval Service this autumn - Royal Marines and sailors on a deployment. Meanwhile, the duration of the building work in Akrotiri has been extended and so has the agreement for Lady Lampson's to supply the lunches. This resulted in staff also delivering their first 'Thanksgiving' meal, which was most warmly welcomed by those so far from home in the USA, and looks set to become an annual fixture. At Nicosia, far from opening in January 2022 as hoped, sadly the British Contingent identified further urgent work was needed to the building. The start of this had to be delayed by a year or more, so there has to be a risk of even more delays or even abandonment of the project.

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

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The centres remain well supported by the Command chain and valued by the thousands of UK Service personnel and their families, but understandably generated much less income (and expenditure) during the pandemic. Similarly, there was much less call for donations to support the community, which were a fraction of normal (Note 10).

Ex-Service personnel & their families. CESSAC has continued to enable CESSA HA to make savings through sharing a Head Office and staff and managing 91 sheltered flats at three sites on behalf of Greenwich Hospital. We were pleased to be able to return to funding a Christmas meal for the tenants of all CESSA HA schemes at a cost of £3,984 (see Note 10).

Fundraising. CESSAC does not undertake fundraising from the public itself and its Collection Boxes were introduced into locations to underline the point that it is a charity. Unsurprisingly, they are generating a reducing amount with the rise of electronic payment.

Investment performance. The investment elements have performed well from a historical perspective as well as generating invaluable income. In 2022 investment income was £103,001, although the capital value decreased by £409,706 (early 2023 has seen a partial improvement). Some further cash for use in operations was generated from taking a total return approach to the Charles Stanley portfolio and £50,000 was withdrawn from BlackRock to support the cash-flow.

Financial review

The results for the year are set out on page 12. It is clearly unwelcome that the net movement in funds shows a fall of £528,018, although this is mainly attributable to the loss on investments already mentioned. It also includes a gain on exchange of £6,543. Therefore, the actual operating position showed a loss of £124,853, which is similar to 2021. It is important to highlight here that this also includes a significant further write-down of stock value in Cyprus, a decision taken as part of the year end stocktaking.

Head Office has continued to play its part in keeping costs down and supporting all the operations and governance. This is illustrated at Note 9, where it can be seen that support costs are low and the overall net costs are considered fully justified in support of CESSAC's charitable objectives. The Council, through the WAC, keeps a close check on the operating position.

Reserves policy

The reserves policy is reviewed annually and in 2022 operational reserves were maintained at 9 months' of turnover, £1,020,000, to cover the number of centres and dispersion of cash between different banks/currencies. Other reserves are maintained to fund repairs/improvements of the Clubs and/or make donations in furtherance of the charity's aims (see Note 26). However, since the trading income alone has been insufficient to fund centre operations for some years, the charity expects to continue to use income from investments to enable the charitable output to continue.

Investment policy. The Council members ensure that the capital held by CESSAC is invested prudently and conservatively over the long term for the ultimate benefit of meeting its objectives. Their policy is to increase both capital and income from the investments over the long term. The reserves are invested across a number of financial institutions; the greater part is in AFCGIF units, currently managed by BlackRock, with most of the rest in a Charles Stanley discretionary managed portfolio at medium low risk. The remainder is in a Virgin Money Charity Deposit Account.

Principal Risks and Uncertainties

The Council has taken a risk-based approach to internal controls, including directing members to undertake internal auditing. The most significant risks to the charity relate to investments, since little capital is tied up in any individual centre. The Council follows a policy of spreading these at medium to low risk as described in the Investment Policy, reviews their performance at every opportunity and has an Investment Panel to oversee the investment environment between meetings. The Council members have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to them.

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

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

Over the charity's 132 years since incorporation, it has usually been alterations in the Armed Forces that have both presented new opportunities and/or caused existing centres to close. It is for this reason that most current centres have not received significant capital and are developed with the assistance of the relevant establishment and funding sought from other sources. Therefore, the success or failure of individual centres is unlikely to present a significant risk. The UK Government completed a Defence & Security review in March 2021, which does not appear to have any obvious direct effects.

Withdrawal from any centre is considered if sustained losses there cannot be justified by the assessed charitable benefit in that location, but otherwise service is maintained as long as the overall performance of the charity is satisfactory. Loss of the Greenwich Hospital agreement would deprive the charity of some income and the economies inherent in shared facilities. This is mitigated by demonstrating the efficiency and added value provided to the management of the sheltered housing, which has resulted in a new five-year agreement until 31 January 2028. The risk policy is regularly reviewed and the register is maintained in a detailed matrix. A clear system is operated to ensure that every risk is reviewed either by Council or WAC at least annually.

2023 & Plans for the future

Efforts will continue to explore potential new centres at Thorney Island and RAF Cosford. Fellow CVWW member Sandes announced in early 2023 that its 5 centres would be closing at the end of March. Staff have visited Pirbright and offered to take over there, but the other 4 appear more suitable for other charities. Episkopi will be refurbished once the shop area has been reduced further and the station plans to install a new extractor fan. The Council will conduct quinquennial reviews of both auditors and investment managers and intends to update the Articles.

Going Concern

Rolling forecasts are maintained for both cash-flow and income & expenditure, both of which currently predict a better year ahead than 2022. The Council firmly believes the charity remains a going concern, since the likely rate of loss should be containable for significantly more than 12 months.

Structure, governance and management

CESSAC is a charity (No. 226684) and a company limited by guarantee and not having share capital, registered in England (No. 00034118). It does not trade for profit, is exempt from Corporation Tax and is VAT-registered. (No. 675 8276 83). Its Memorandum and Articles of Association govern the charitable company, including the appointment and reappointment of its members of Council.

CESSAC is governed by the Council, which met 5 times in 2022 (once via Microsoft Teams due to the pandemic) with 88% attendance. The WAC meets three times a year and reports its activities at the next Council meeting and seeks approval for any strategic decisions. The Council and WAC are assisted in their responsibilities by the Chief Executive Officer (CEO) who manages the operations and personnel.

None of the Council members has any beneficial interest in the company. All of the Council members are members of the company and guarantee to contribute £1 in the event of a winding up. Trustees indemnity insurance up to £500K is provided as part of a portfolio of policies.

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

Rear Admiral A R Rymer CEng (Chairman)
Colonel C E H Ackroyd TD RD DL (Vice Chairman)

Mr A J Cobb FCiH	(Retired 22 June 2022)
Mr I H Currie FCA	
Ms G Grindell MSc	(Appointed 22 June 2022)
Commander A E Mizen RN	
Mrs A C Rodgers FCA	(Retired 22 June 2022)
Commander J F J Simpson RN	
Commander S J Snowball RN	

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COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

Mr D J Foster FCA

Mr S D Rice

(Appointed 2 February 2022)

Advertisements are made to attract potential members/trustees, whose applications are then considered by the Council. Those selected as members are eligible to sit on committees and vote at general meetings. Potential trustees are invited to an informal meeting with the Chairman. This is followed by a brief from the CEO and an invitation to attend the next Council meeting as an observer. A formal invitation to join the Council will follow if both parties agree, followed by induction conducted by the CEO. New trustees are co-opted until election is considered at the next AGM. Training is offered regularly and the Council reviews Charity Commission e-mails, Governance & Leadership/Charity Finance magazines and other material to keep up to date.

The Charity Governance Code. Performance against the Charity Code of Governance 2017 and the Cobseo aide-memoire have been assessed. The organisation met all criteria, save for one relating to Equality and Diversity, which history and recruitment opportunities render difficult for us to achieve, notwithstanding a stated Policy in this area, applied across the organisation. Subject to the usual ebb and flow of representation in a relatively small organisation, gender balance overall has been satisfactory. However, an underlying requirement for military experience, and the need to maintain a range of skills and qualifications against low turnover, together with some geographical restrictions, have limited the available field from which minority involvement in governance matters can be drawn. In order to maximise the opportunity for minority participation in future, recruitment criteria, advertising and procedures are kept under review.

Remuneration policy. All of the members are unpaid volunteers. The overall purpose of remuneration policy for the staff at all levels, together with their terms and conditions of service, is to attract and retain those with appropriate skills, experience and competencies who are committed to delivering the relevant charitable work and purposes. Although CESSAC does not engage in substantive levels of fundraising or voluntary work, the esteem and value derived from working in the charitable sector are noted, as recommended. With a principal aim of fairness and no overriding factors, save for affordability, the following will be taken into account when deciding remuneration:

- The scope of individual responsibilities; any fundamental change; and performance against short and long term expectations and objectives.
- Affordability (sustainability) of the total cost of remuneration awards when measured against the needs.
- The likely impact on the beneficiaries.
- Comparability in appropriate sectors, together with: national remuneration trends and minimum wage regulations; inflation; and applicable local/overseas factors.
- The remuneration ratio between Senior and other staff in the organisation.
- The combined effect of pay and other elements of wider remuneration packages, including any non-consolidated awards.

Relationships. CESSAC shares a common root with the Aldershot Church of England Services Trust, and three of the former's members are appointed as trustees for the latter. CEO is CESSAC's trustee for CVWW.

Asset cover for funds

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

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

COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

Registered charitable objects

The objects for which the Charity is established are below in 'inverted commas', each followed by a summary of the benefits delivered to the respective beneficiaries:

- (i) 'To open, carry on, establish and maintain Church of England Soldiers', Sailors' & Airmen's Clubs or Centres in military stations and other places at home and abroad, and to assist local or other efforts to open, carry on, establish and maintain such clubs or centres'. The aim remains to provide homely facilities for serving personnel and/or their families. The benefit they derive from the centres is amply demonstrated by their use and the strength of support from the chain of command.
- (ii) 'To further the religious and charitable work of the Church of England amongst those serving in H.M. Forces'. This is achieved by working with Service Chaplains wherever possible, without impinging on the non-religious nature of the centres. It includes offering a grant to help Service-sponsored ordinands (Note 10).
- (iii) 'To relieve persons who have served in H.M. Forces and the dependants of such persons as are in need of assistance including the provision and management of housing'. This aim is clear and currently largely, but not exclusively, delivered through the assistance provided to CESSA Housing Association & GHSH.
- (iv) 'To promote the efficiency of H.M. Forces by the provision of facilities and equipment for educational, recreation and leisure pursuits for those serving in H.M. Forces, whether at Church of England Soldiers', Sailors' & Airmen's Clubs or Centres or elsewhere and whether at home or abroad'. This is a recognised broad Object to enable a wide range of support to be provided for the benefit of serving personnel as needs arise. The level of the losses over recent years has meant that this aim is currently supported by a number of small grants to other organisations, listed for Cyprus at Note 10.

Auditor

In accordance with the charity's articles, a resolution proposing that Jones Avens Limited be reappointed as auditor of the charity will be put at a General Meeting.

Disclosure of information to auditor

Each of the Council members 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 auditor is aware of such information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Council members' report was approved by the Board of Council Members.

Rear Admiral A R Rymer CEng (Chairman)

Chairman

Dated: 19 April 2023

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

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The Council members, who are also the directors of Church of England Soldiers', Sailors' & 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 members 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 members 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Council members 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' & AIRMEN'S CLUBS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accounts of Church of England Soldiers', Sailors' & Airmen's Clubs (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Council members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Council members are responsible for the other information. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Council members' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Responsibilities of Council members

As explained more fully in the statement of Council members' responsibilities, the Council members, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Council members are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council members either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Identification and assessment of irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We designed procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures were capable of detecting irregularities, including fraud is detailed below:

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the association, including The Companies Act 2006 and The Charities Act 2011;
- we obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework by making appropriate enquiries of management as well as considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- we made enquiries of those charged with governance and management concerning:
 - the risks of fraud;
 - instances of non-compliance with laws and regulations or knowledge of actual, suspected, or alleged fraud is documented during the period;
- we allocated an engagement team that we considered collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Audit response to the risk of irregularities including fraud

Based on the results of our risk assessment, our procedures included, but were not limited to:

- performing analytical procedures to identify any unusual or unexpected relationships.
- evaluating whether the selection and application of accounting policies by the entity that may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings.
- assessing whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias.
- agreeing financial statement disclosures to underlying supporting documentation.
- reading the minutes of meetings of those charged with governance.
- testing of journal entries to address the risk of fraud through management override.
- incorporating an element of unpredictability in the selection of the nature, timing, and extent of our audit procedures.
- corroborating the business rationale for transactions outside the normal course of business.

Conclusions regarding the risks of irregularities including fraud

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We considered our audit was capable of detecting irregularities due to:

- the effectiveness of the entity's internal controls;
- the nature, timing and extent of audit procedures performed; and
- the absence of contradictory evidence.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Claire Norwood BSc FCA ATII (Senior Statutory Auditor)
for and on behalf of Jones Avens Limited

19 April 2023

Chartered Accountants
Statutory Auditor

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

Jones Avens Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £
<u>Income and endowments from:</u>					
Voluntary income	4	17,047	24,300	41,347	65,380
Charitable activities	5	686,354	-	686,354	410,106
Investments	3	103,001	-	103,001	101,509
Other income	6	101,118	-	101,118	93,473
Total income		907,520	24,300	931,820	670,468
<u>Expenditure on:</u>					
Raising funds	7	7,970	-	7,970	7,813
Charitable activities	8	1,035,829	11,674	1,047,503	776,076
Other	14	1,200	-	1,200	794
Total resources expended		1,044,999	11,674	1,056,673	784,683
Net operating deficit		(137,479)	12,626	(124,853)	(114,215)
Net gains/(losses) on investments	12	(409,706)	-	(409,706)	308,631
Net (outgoing)/incoming resources before transfers		(547,185)	12,626	(534,559)	194,416
Gross transfers between funds	16	4,000	(4,000)	-	-
Net (outgoing)/incoming resources		(543,185)	8,626	(534,559)	194,416
<u>Other recognised gains and losses</u>					
Other gains or losses	18	6,543	-	6,543	(16,514)
Net movement in funds		(536,642)	8,626	(528,016)	177,902
Fund balances at 1 January		3,786,603	-	3,786,603	3,608,701
Fund balances at 31 December		3,249,961	8,626	3,258,587	3,786,603

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

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

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	17		85,873		59,375
Investments	19		2,823,172		3,280,429
			<u>2,909,045</u>		<u>3,339,804</u>
Current assets					
Stocks	20	53,198		65,094	
Debtors	21	31,949		32,185	
Cash at bank and in hand		382,698		425,742	
		<u>467,845</u>		<u>523,021</u>	
Creditors: amounts falling due within one year	23	(118,303)		(76,222)	
Net current assets			349,542		446,799
Total assets less current liabilities			<u>3,258,587</u>		<u>3,786,603</u>
Income funds					
Restricted funds	25		8,626		-
<u>Unrestricted funds</u>					
Designated funds	26	3,249,961		3,786,603	
		<u>3,249,961</u>		<u>3,786,603</u>	
			<u>3,258,587</u>		<u>3,786,603</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The Council members are responsible for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Council Members on 19 April 2023

Mr I H Currie FCA
Trustee

Commander J F J Simpson RN
Trustee

Company Registration No. 00034118

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	29		(152,511)		(143,753)
Investing activities					
Purchase of tangible fixed assets		(45,542)		(1,343)	
Proceeds on disposal of tangible fixed assets		1,594		3,611	
Purchase of investments		(88,561)		(49,362)	
Proceeds on disposal of investments		136,112		83,060	
Investment income		103,001		101,509	
Net cash generated from investing activities			106,604		137,475
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(45,907)		(6,278)
Cash and cash equivalents at beginning of year			425,742		436,978
Effect of foreign exchange rates			2,863		(4,958)
Cash and cash equivalents at end of year			382,698		425,742

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

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Council members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Accounting policies

Charity information

Church of England Soldiers', Sailors' & Airmen's Clubs is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Shakespeare Terrace, 126 High Street, Portsmouth, Hampshire, PO1 2RH.

2.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

2.2 Going concern

At the time of approving the financial statements, the Council members have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Council members continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Council members in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Council members for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

2.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from charitable trading activities principally represents retail sales and other income in CESSAC's Services Centre in Cyprus and at CESSAC Centres in the UK and elsewhere 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.

2.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities undertaken to further the purposes of the charity and their associated support and governance costs.
- Costs of raising funds comprise the costs of the investment portfolio management.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 9.

2.6 Tangible fixed assets

Tangible fixed assets are measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% straight line basis
Leasehold properties	Cyprus improvements 10% straight line basis
Furniture, fittings & equipment	10 - 25% straight line basis
Vehicles	20% straight line basis

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies

(Continued)

2.7 Fixed asset investments

Listed investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in income and expenditure. Transaction costs are expensed to income and expenditure as incurred.

The fixed asset investment loan is initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investment is assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in income and expenditure.

2.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). No such indications were noted.

2.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.11 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in net income/(expenditure), except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in or in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies

(Continued)

2.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2.14 Foreign exchange

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.

2.15 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.

2.16 Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover, including the Coronavirus Job Retention Scheme and other Coronavirus related support are recognised as income over the periods when the related costs are incurred.

3 Investments

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Income from listed investments	102,681	101,347
Interest receivable	320	162
	<u>103,001</u>	<u>101,509</u>

4 Voluntary income

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2022 £	2022 £	2022 £	2021 £
Donations and gifts	2,111	-	2,111	376
Government grants	3,867	-	3,867	65,004
Other grants	11,069	24,300	35,369	-
	<u>17,047</u>	<u>24,300</u>	<u>41,347</u>	<u>65,380</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Voluntary income (Continued)

Government grants received

Coronavirus Job Retention Scheme grant	-	-	-	40,868
Discretionary Covid-19 grants	3,867	-	3,867	24,136
	<u>3,867</u>	<u>-</u>	<u>3,867</u>	<u>65,004</u>

5 Charitable activities

	Supporting HM Forces in the UK and overseas	Centres in Cyprus supporting HM Forces overseas	Total 2022	Supporting HM Forces in the UK and overseas	Centres in Cyprus supporting HM Forces overseas	Total 2021
	2022	2022		2021	2021	
	£	£	£	£	£	£
Sales within charitable activities	194,387	474,751	669,138	112,010	297,234	409,244
Other income	296	16,920	17,216	397	465	862
	<u>194,683</u>	<u>491,671</u>	<u>686,354</u>	<u>112,407</u>	<u>297,699</u>	<u>410,106</u>

Charitable trading income

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

6 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Net gain on disposal of tangible fixed assets	1,594	-
Management fees and office rent	99,524	93,473
	<u>101,118</u>	<u>93,473</u>

7 Raising funds

	2022	2021
	£	£
Investment management	7,970	7,813

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Charitable activities

	Supporting HM Forces in the UK and overseas 2022 £	Centres in Cyprus supporting HM Forces overseas 2022 £	Total 2022 £	Supporting HM Forces in the UK and overseas 2021 £	Centres in Cyprus supporting HM Forces overseas 2021 £	Total 2021 £
Staff costs	185,843	204,861	390,704	144,198	139,664	283,862
Depreciation and impairment	5,763	14,197	19,960	3,288	12,167	15,455
Cost of supplies	72,000	215,036	287,036	38,422	172,592	211,014
Operating costs	35,098	138,268	173,366	31,578	70,537	102,115
	<u>298,704</u>	<u>572,362</u>	<u>871,066</u>	<u>217,486</u>	<u>394,960</u>	<u>612,446</u>
Grant funding of activities (see note 10)	-	421	421	-	11	11
Share of support costs (see note 9)	91,425	51,178	142,603	86,350	47,461	133,811
Share of governance costs (see note 9)	14,033	19,380	33,413	12,520	17,288	29,808
	<u>404,162</u>	<u>643,341</u>	<u>1,047,503</u>	<u>316,356</u>	<u>459,720</u>	<u>776,076</u>
Analysis by fund						
Unrestricted funds	392,488	643,341	1,035,829	316,356	459,720	776,076
Restricted funds	11,674	-	11,674	-	-	-
	<u>404,162</u>	<u>643,341</u>	<u>1,047,503</u>	<u>316,356</u>	<u>459,720</u>	<u>776,076</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Support costs

	Support costs	Governance costs	2022Support costs	Governance costs	2021
	£	£	£	£	£
Staff costs	121,753	23,191	144,944	116,397	138,568
Depreciation	202	38	240	202	240
Head office costs	20,648	-	20,648	17,212	17,212
Audit fees	-	4,353	4,353	-	3,970
Legal and professional	-	4,822	4,822	-	3,063
Committee costs and expenses	-	1,009	1,009	-	566
	<u>142,603</u>	<u>33,413</u>	<u>176,016</u>	<u>133,811</u>	<u>163,619</u>
Analysed between					
Charitable activities	<u>142,603</u>	<u>33,413</u>	<u>176,016</u>	<u>133,811</u>	<u>163,619</u>

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the charitable activities undertaken in the year.

10 Grants payable

CESSAC made the following principal donations in the UK:

Grants to CESSA HA tenants for Christmas vouchers/social functions - 2022: £3,296 (2021: £3,984).
Annual grant to a sponsored ordinand - 2022: £778 (2021: £707)

CESSAC Cyprus made the following donations:

Various smaller donations 2022:

Details	Amount
Donation of Christmas sweets for Episkopi Christmas Market	€ 30
Donation of Christmas sweets for BFBS radio competition	€ 30
Donation of Christmas sweets for Dhekelia Station	€ 15
Donation to Akrotiri welfare funds - new popcorn machine	€ 400
Total	€ 475

(2021: €13)

11 Council Members

None of the Council members (or any persons connected with them) received any remuneration during the year, but 5 of them were reimbursed a total of £530 travelling expenses (2021 - 5 were reimbursed £289).

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Revaluation of investments	(403,063)	304,783
Gain/(loss) on sale of investments	(6,643)	3,848
	<u>(409,706)</u>	<u>308,631</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Full time (UK & FI)	3	4
Part time (UK & FI)	10	8
Full time (Cyprus)	3	3
Part time (Cyprus)	14	14
	<u>30</u>	<u>29</u>

Employment costs

	2022 £	2021 £
Wages and salaries	487,663	388,284
Social security costs	32,483	19,913
Other pension costs	15,502	14,233
	<u>535,648</u>	<u>422,430</u>

Chief Executive Remuneration

The Chief Executive, the only Senior Executive, is one of the members of staff jointly employed with a related party, Church of England Soldiers', Sailors' and Airmen's Housing Association Ltd (the 'association'). The Chief Executive is not a Director, but was an ordinary member of the association's defined contribution pension scheme (The Social Housing Pension Scheme administered by The Pension Trust) carrying no special terms. He has no other individual pension arrangement to which either entity makes a contribution. The main outputs of the two entities are: CESSAC's Charity Centres; and sheltered housing. The latter encompasses schemes belonging to the association and those managed by CESSAC for Greenwich Hospital. The division of the costs for all joint employees is regularly reassessed in proportion to the value of contribution to each entity. The 2019 re-assessment of the share of such costs led to CEO's being 50% each for 2020 to the association and to CESSAC. This resulted in the share of costs below (excluding national insurance contributions):

	2022	2021
CESSAC Emoluments	£37,948	£37,113
Association Emoluments	£37,949	£37,113
Total Emoluments	£75,897	£74,226
CESSAC pension contribution	£3,795	£3,711
Association pension contribution	£3,795	£3,711
Total pension contributions	£7,590	£7,422

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Other

	Unrestricted funds	Unrestricted funds
	2022	2021
Net loss on disposal of tangible fixed assets	1,200	794
	<u>1,200</u>	<u>794</u>

15 Taxation

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

16 Transfers

The transfer between restricted and unrestricted funds represents the restricted funds spent on fixed asset additions.

17 Tangible fixed assets

	Land and buildings	Leasehold properties	Furniture, fittings & equipment	Vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2022	12,000	253,072	168,447	33,668	467,187
Additions	-	-	39,042	6,500	45,542
Disposals	-	-	(17,275)	(12,855)	(30,130)
Exchange adjustments	-	13,837	5,492	1,623	20,952
At 31 December 2022	<u>12,000</u>	<u>266,909</u>	<u>195,706</u>	<u>28,936</u>	<u>503,551</u>
Depreciation and impairment					
At 1 January 2022	4,560	249,354	121,430	32,468	407,812
Depreciation charged in the year	240	2,561	16,099	1,300	20,200
Eliminated in respect of disposals	-	-	(17,275)	(11,655)	(28,930)
Exchange adjustments	-	13,632	3,341	1,623	18,596
At 31 December 2022	<u>4,800</u>	<u>265,547</u>	<u>123,595</u>	<u>23,736</u>	<u>417,678</u>
Carrying amount					
At 31 December 2022	<u>7,200</u>	<u>1,362</u>	<u>72,111</u>	<u>5,200</u>	<u>85,873</u>
At 31 December 2021	<u>7,440</u>	<u>3,718</u>	<u>47,017</u>	<u>1,200</u>	<u>59,375</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Other gains or losses

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Foreign exchange (losses)/gains	6,543	(16,514)

19 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2022	3,280,429
Additions	88,561
Valuation changes	(403,063)
Disposals	(142,755)
At 31 December 2022	2,823,172
Carrying amount	
At 31 December 2022	2,823,172
At 31 December 2021	3,280,429

Fixed asset investments revalued

Listed investments include an investment portfolio managed by Charles Stanley and an Armed Forces Common Investment Fund managed by Black Rock and are included on the basis of market value, with an historical cost of £2,576,808 (2021 - £2,435,209).

20 Stocks

	2022 £	2021 £
Finished goods and goods for resale	53,198	65,094

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

21 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	-	600
Other debtors	-	2,625
Prepayments and accrued income	31,949	28,960
	<u>31,949</u>	<u>32,185</u>

22 Financial instruments

	2022	2021
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	2,823,172	3,280,429
	<u>2,823,172</u>	<u>3,280,429</u>

23 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Other taxation and social security		18,172	11,357
Government grants	24	2,435	-
Trade creditors		44,918	19,858
Other creditors		92	-
Accruals and deferred income		52,686	45,007
		<u>118,303</u>	<u>76,222</u>

24 Government grants

The deferred grant relates to a grant received in 2022 from Episkopi station for purchase of various fixtures and fittings of which £2,435 was utilized in 2023.

Deferred income is included in the financial statements as follows:

	2022	2021
	£	£
Deferred income is included within:		
Current liabilities	2,435	-
	<u>2,435</u>	<u>-</u>
Movements in the year:		
Deferred income at 1 January 2022	-	4,524
Released from previous periods	-	(4,524)
Resources deferred in the year	2,435	-
	<u>2,435</u>	<u>-</u>
Deferred income at 31 December 2022	2,435	-
	<u>2,435</u>	<u>-</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

25 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds			
	Incoming resources	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Balance at 31 December 2022
	£	£	£	£	£	£
ACEST	-	-	24,300	(11,674)	(4,000)	8,626

ACEST provided two grants to CESSAC during the year to cover the purchase of a new coffee machine and for some refurbishment/upgrade works at Blandford.

26 Designated funds

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

	Movement in funds				
	Balance at 1 January 2021	Incoming resources	Balance at 1 January 2022	Transfers	Balance at 31 December 2022
	£	£	£	£	£
Operating cost reserve	1,020,000	-	1,020,000	-	1,020,000
Capital fund for future opportunities	2,588,303	178,300	2,766,603	(536,642)	2,229,961
	3,608,303	178,300	3,786,603	(536,642)	3,249,961

Reserves have been established as follows:

- An operating cost reserve equal to nine months' charitable activity (£1,020,000).
- A capital fund for future opportunities and investment.

27 Analysis of net assets between funds

	Unrestricted funds 2022	Restricted funds 2022	Total 2022	Unrestricted funds 2021
	£	£	£	£
Fund balances at 31 December 2022 are represented by:				
Tangible assets	85,873	-	85,873	59,375
Investments	2,823,172	-	2,823,172	3,280,429
Current assets/(liabilities)	340,916	8,626	349,542	446,799
	3,249,961	8,626	3,258,587	3,786,603

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

28 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

29 Cash generated from operations	2022 £	2021 £
(Deficit)/surplus for the year	(534,559)	194,416
Adjustments for:		
Investment income recognised in statement of financial activities	(103,001)	(101,509)
Foreign exchange differences	1,623	(1,779)
(Gain)/loss on disposal of tangible fixed assets	(394)	794
Loss/(gain) on disposal of investments	6,643	(3,848)
Fair value gains and losses on investments	403,063	(304,783)
Depreciation and impairment of tangible fixed assets	20,200	15,695
Movements in working capital:		
Decrease in stocks	8,583	56,062
Decrease in debtors	649	16,242
Increase/(decrease) in creditors	42,247	(10,845)
Increase/(decrease) in deferred income	2,435	(4,198)
Cash absorbed by operations	(152,511)	(143,753)
30 Analysis of changes in net funds		

The charity had no debt during the year.

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