



Tri-Service Charity. Est 1857

CESSAC & CESSA HA  
1 Shakespeare Terrace  
126 High Street  
Portsmouth PO1 2RH

Tel. 02392 829319  
[www.cessaha.co.uk](http://www.cessaha.co.uk)

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

Date: 11 June 2026

Dear Sirs,

This representation letter is provided in connection with your audit of the financial statements of the charity for the year ended 31 December 2025 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material aspects, or give a true and fair view in accordance with The Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We confirm that the following representations are made on the basis of enquiries of the directors, management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you:

1. We have fulfilled our responsibilities as directors under the Companies Act 2006 for preparing financial statements, in accordance with the applicable financial reporting framework. We confirm that in our opinion the financial statements give a true and fair view and in particular that where any additional information must be disclosed in order to give a true and fair view that information has in fact been disclosed. We confirm that the selection and application of the accounting policies used in the preparation of the financial statements are appropriate, and we approve these accounts for the year ended 31 December 2025
2. We confirm that all accounting records have been made available to you for the purposes of your audit, in accordance with your terms of engagement, and that all transactions undertaken by the charity have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and shareholders' meetings, have been made available to you. We have given you unrestricted access to persons within the charity in order to obtain audit evidence and have provided any additional information that you have requested for the purposes of your audit.
3. We acknowledge that it is a criminal offence to make a false statement in this regard, and where any director either makes a false statement; is aware that the statement is false; is reckless in preventing this statement; or fails to take reasonable steps to prevent the directors' report from being approved, we acknowledge that each director will be guilty of a criminal offence.

Church of England Soldiers', Sailors' & Airmen's Clubs (CESSAC)

CESSAC Patron: HM The King  
Limited Company (34118)  
Benefit Societies Act 2014 (21222R)  
Registered in England and Wales



4. We confirm that the charity is controlled by the Directors and Trustees and there are no other controlling parties.

5. We confirm the charity has satisfactory title to all assets and there are no liens or encumbrances on the assets, except for those disclosed in the financial statements.

6. We confirm that the methods, significant assumptions and data used by us in making accounting estimates, and the related disclosures, are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

7. We confirm that we have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

8. We confirm that the charity has no liabilities or contingent liabilities other than those disclosed in the financial statements.

9. We have disclosed to you the following actual or possible litigation and claims, the effects of which should be considered when preparing the financial statements and these have been accounted for and disclosed in accordance with the applicable financial reporting framework.

10. We confirm that there have been no events since the balance sheet date which require disclosing or which would materially affect the amounts in the financial statements, other than those already disclosed or included in the financial statements.

11. We confirm that we are aware of the definition of a related party for the purpose of the accounting framework being applied in the preparation of the accounts.

12. We confirm that all related party relationships and transactions have been accounted for and disclosed in accordance with the Charity SORP.

13. We confirm that the charity neither had, at any time during the year, any arrangement, transaction or agreement to provide credit facilities (including advances and credits granted by the charity) for directors, nor provided guarantees of any kind on behalf of the directors.

14. We confirm that the charity has not contracted for any capital expenditure other than as disclosed in the financial statements.

15. We confirm that the charity has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.

16. We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the charity conducts its business and which are central to the charity's ability to conduct its business.

17. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud, and that we believe we have appropriately fulfilled these responsibilities. We confirm that we have disclosed to you the results of our risk assessment of the risk of fraud in the business. There have been no deficiencies in internal control of which we are aware.

18. We confirm that there have been no actual or suspected instances of fraud involving management, employees who have a significant role in internal control or others where the fraud could have a material effect on the financial statements. We also confirm that we are not aware of any allegations of fraud by employees, former employees, analysts, regulators or others.

19. We confirm that, in our opinion, the charity's financial statements should be prepared on the going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charity's needs. In reaching this conclusion, we have taken into account all relevant matters of which we are aware, including the availability of working capital and have considered a future period of at least one year from the date on which the financial statements will be approved.

20. We confirm that in our opinion the effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole

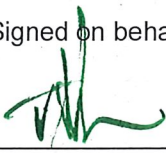
21. We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that:

- so far as each director is aware, there is no relevant audit information of which you as auditors are unaware, and
- each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that you are aware of that information.

22. We acknowledge that it is a criminal offence to knowingly or recklessly make you as an auditor, a statement (oral or written) that conveys, or purports to convey, information or explanations that you require in your capacity as auditor, or are entitled to require, that is misleading, false or deceptive in a material particular.

Yours faithfully

Signed on behalf of the board of trustees by:

 N E CROSSL

Name -

 A. SARO MBE

Name -

Date 24 JUNE 2016

1911

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 2025**

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

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Council Members</b>	Ms G Grindell MSc Commander S J Snowball RN Mr D J Foster FCA Mr S D Rice Lieutenant Commander A Sard MBE RN Captain (Retd) N Fletcher Mr A Davies	(Appointed 10 September 2025) (Appointed 19 November 2025)
<b>Secretary</b>	Mr J Petty	
<b>Charity number</b>	226684	
<b>Company number</b>	00034118	
<b>Principal address</b>	1 Shakespeare Terrace 126 High Street Hampshire Portsmouth PO1 2RH	
<b>Registered office</b>	1 Shakespeare Terrace 126 High Street Hampshire Portsmouth PO1 2RH	
<b>Auditor</b>	Sumer Audit Piper House 4 Dukes Court Bognor Road Chichester West Sussex PO19 8FX	
<b>Bankers</b>	Lloyds Bank Plc 113 Commercial Road Portsmouth Hampshire PO1 1BY	
<b>Solicitors</b>	Blake Morgan LLP Harbour Court Compass Road North Harbour Portsmouth Hampshire PO6 4ST	

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# 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 2025

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The Council members present their report and financial statements for the year ended 31 December 2025.

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 "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 2025, there were 9 operational centres, with preparations underway for the reopening of a further centre at Minley in early 2026; 6 in UK, 3 in Cyprus 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 (GHSH) 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 Memorandum of Understanding (MoU) with the Ministry of Defence (MoD). The MoU 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 8) 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 2025*

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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 GSHH (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 when the opportunity arises). 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.** 2025 was a year of significant transition and consolidation for the charity. Following the recruitment of the new CEO in September 2024, attention turned towards stabilising operations, improving oversight and identifying opportunities to strengthen the long-term sustainability of the organisation. During the year, several longstanding members of the Council stepped down following many years of valued service, including the retirement of Rear Admiral Al Rymer after 11.5 years as Chair. The Council also welcomed new members during the year, strengthening governance and supporting succession planning for the future.

The Welfare Amenity Committee (WAC) undertook its annual review of centre performance, confirming the continued relevance and charitable output of all operational locations, whilst recognising the growing financial pressures affecting hospitality and welfare provision across Defence. As a result, CEO and DOps continued to focus on improving operational efficiency, reducing unnecessary expenditure and identifying opportunities to refresh and modernise the charity's offering.

During the year, a new Memorandum of Understanding was agreed at Aldershot which formally transferred responsibility for the Garrison Soft Play facility to CESSAC. It is hoped that this will strengthen the charity's offering to military families and improve the long-term financial performance of the location. In Dhekelia, significant effort was invested into refreshing and rebranding the former Beach Café into the "CESSAC Bistro", including light refurbishment works and a revised menu offering intended to increase usage and improve the overall beneficiary experience. The success of this initiative will become clearer following the first full summer operating season during 2026.

Chicksands has continued to present operational challenges during its second full year of operation, compounded by recruitment and retention difficulties together with lower than anticipated footfall. Work continues to improve the position, however the ongoing deficit at the site will require careful monitoring if the location is to remain viable over the longer term.

During 2025, following an approach from CVWW, the Council approved in principle the takeover and reopening of the Jackson Club at Minley following the withdrawal of SASRA from this area of welfare provision. A significant multi-partner project was subsequently developed involving Holdfast, Defence, Babcock, the Royal Engineers Association, ACEST and the Army Central Fund to support refurbishment and reopening works planned for early 2026. This development further reinforced the position that CESSAC is now the only remaining CVWW member continuing to provide welfare amenities of this type at scale across Defence. Whilst this presents opportunities for future growth and relevance, it also reflects the increasing operational and financial pressures affecting the wider sector.

CEO continues to represent CESSAC at meetings of CVWW and Cobseo, the Confederation of Service Charities. These networks continue to provide valuable information, strengthen collaboration and present emerging opportunities for partnership working across the Armed Forces charitable sector.

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

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

*FOR THE YEAR ENDED 31 DECEMBER 2025*

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**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.

Each centre operates under local arrangements with the relevant military establishment and therefore faces differing operational pressures, staffing challenges and levels of beneficiary usage. Accordingly, turnover and operating performance vary considerably between locations. During 2025, Blandford and the Oasis Café in the Falkland Islands continued to provide the strongest operational performance within the portfolio. Chicksands remained the most financially challenging location, reflecting continued recruitment and retention difficulties together with lower than anticipated footfall during its second full year of operation. Whilst turnover at Colchester and Aldershot remained comparatively stronger than some smaller locations, operating costs across a number of centres continued to place pressure on overall financial performance during the year.

Nevertheless, all locations continued to deliver important charitable welfare output to their respective military communities, providing affordable food, social interaction, informal welfare support and welcoming environments for Service personnel, veterans and their families. The expenditure incurred in sustaining the charity's operations reflects the Council's continued commitment to supporting morale, wellbeing and community cohesion, thereby contributing positively to the moral component of Defence capability.

**Centres in Cyprus.** CESSAC continued to operate welfare amenities within the Sovereign Base Areas of Cyprus during 2025, providing important welfare, catering and social facilities to service personnel, families and the wider military community. Operational performance across the Cyprus portfolio continued to vary between locations, with both Episkopi and Akrotiri delivering positive operational contributions during the year. Dhekelia, however, remained financially challenging due to the scale of the operation, associated staffing costs and lower levels of seasonal turnover than historically experienced.

During 2025, significant attention was therefore given to improving the beneficiary offering and long-term sustainability of the Dhekelia operation. This included the rebranding of the former Beach Café into the "CESSAC Bistro", together with light refurbishment and aesthetic improvement works costing approximately €15K intended to refresh the environment and improve the overall customer experience. A revised menu offering was also introduced to broaden appeal and encourage greater use by the military community.

Whilst it remains too early to determine the full operational impact of these changes, it is hoped that the first full summer operating season during 2026 will provide a clearer indication of the longer-term viability and success of the revised approach. CEO and DOps therefore continue to monitor all Cyprus operations carefully to ensure that charitable output, beneficiary value and operational sustainability remain appropriately balanced.

**Engagement across the Stations and Garrisons.** The centres continue to receive strong support from Station, Garrison and Base Headquarters across Defence and remain valued by Service personnel, families and the wider military community. CEO and DOps have continued to strengthen engagement with local Command teams during 2025, both to better understand changing welfare needs and to identify opportunities to modernise and improve the charity's offering across its locations.

**Ex-Service personnel & their families.** CESSAC has continued to enable CESSA Housing Association (CESSA HA) to make savings through the sharing of Head Office facilities and staff, together with the continued management of 91 sheltered flats at three sites on behalf of Greenwich Hospital. During 2025, CEO also identified the need to undertake a review of Head Office cost apportionments across the organisations to ensure that shared costs continue to be allocated fairly and proportionately. This work will be progressed during 2026.

**Fundraising.** CESSAC does not undertake active public fundraising and its collection boxes remain primarily intended to reinforce the charitable nature of the organisation within its centres and locations. As expected, the growth in electronic and cashless payment methods continues to reduce the level of income generated through this method.

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

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

### FOR THE YEAR ENDED 31 DECEMBER 2025

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**Investment performance.** CESSAC's investment portfolio continues to provide important long-term support to the charity's operations and charitable objectives. During 2025, the portfolio generated valuation gains of approximately £197K. This was offset by investment disposals totalling approximately £348K during the year, resulting in a closing investment value of approximately £2.7m at the year end.

CESSAC continues to adopt a total return approach to investment management, as recommended for many charities, balancing the generation of income with the preservation of long-term capital value. The Council and Investment Panel therefore continue to monitor investment performance and wider market conditions carefully, recognising the importance of maintaining sufficient reserves to support the charity's future sustainability, operational resilience and strategic ambitions.

#### **Financial review**

The results for the year are set out on pages 14 to 16. The charity's balance sheet remained broadly stable during 2025 at just over £3 million, continuing to provide reassuring reserves in support of its long-term sustainability and charitable objectives. Overall funds increased slightly during the year, despite continued operational pressures across parts of the welfare amenities portfolio and a challenging operating environment for hospitality and welfare provision more generally.

Increased staffing and operating costs during a period of continued inflationary pressure, together with recruitment and retention challenges, investment into selected locations and the ongoing cost of supporting geographically dispersed operations, all continued to place pressure on operational performance during the year. Additional costs were also incurred through the closure and write-off of remaining shop stock in Cyprus, together with improvement works undertaken at selected centres as part of wider efforts to refresh and modernise the charity's offering.

The cost of supporting operations across geographically dispersed locations, including overseas sites, continues to represent a significant element of the charity's expenditure. These support costs include governance, operational oversight, finance, IT support, audit, leadership, compliance and administrative functions necessary to maintain safe, effective and properly governed welfare amenities across Defence. The Council continues to keep these costs under close review and recognises the importance of ensuring that support arrangements remain proportionate, effective and appropriately aligned to operational delivery.

Head Office has continued to play an important role in supporting governance, operational oversight and the delivery of charitable objectives across all locations. During the year, support and governance costs increased due to a combination of inflationary pressures, leadership transition arrangements, increased operational oversight requirements and the cost of externally contracted services including audit, IT support, utilities and professional advice. Overall, these costs are considered proportionate and justified in support of the charity's operations and strategic direction.

The Council, through the Welfare Amenity Committee (WAC), continues to monitor operational and financial performance carefully. During the year, CEO and DOPs continued to focus on operational efficiencies, improved oversight, modernisation of the beneficiary offering and the identification of alternative income opportunities intended to improve the longer-term sustainability of the welfare amenities portfolio.

#### **Reserves policy**

The reserves policy is reviewed annually by the Council. During 2025, operational reserves of approximately £1 million continued to be maintained (see Note 22) in recognition of the number and geographic dispersion of the charity's operations, the need to hold working capital across multiple currencies and banking arrangements, and the importance of maintaining operational resilience across all locations. Additional reserves are also maintained to support repairs, improvements and future investment across the welfare amenities portfolio, together with grants and activities undertaken in furtherance of the charity's wider objectives. The charity aims to hold free reserves at a minimum of 6 months expenditure. This would equate to approximately £650k and with free reserves of £2.871m, this policy is comfortably met

Since trading income alone has been insufficient to fully fund centre operations for some years, the charity continues to rely in part on investment income and investment reserves to support the delivery of its charitable output. The Council nevertheless remains satisfied that current reserve levels remain appropriate in support of the charity's long-term sustainability and strategic objectives.

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

## COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2025

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**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 maintain sustainability by increasing 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 assurance. 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.

Over the charity's 134 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.

Withdrawal from any centre will be 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 five-year agreement until 31 January 2028.

More broadly, the current geopolitical environment, together with continuing uncertainty surrounding Defence priorities, operational basing and public finances, continues to create challenges for many organisations operating in support of the Armed Forces community. Changes to the size, structure or location of military units can significantly affect beneficiary demand and the viability of individual centres. The Council therefore continues to monitor wider Defence, economic and geopolitical developments carefully to ensure that the charity's operations, locations and charitable objectives remain relevant and appropriately aligned to need.

The charity also continues to face wider operational risks associated with inflationary pressures, staffing and recruitment challenges, increasing compliance expectations and the complexity of supporting geographically dispersed operations, including overseas locations. These risks are monitored routinely by both the Council and the Welfare Amenity Committee (WAC), supported by a detailed risk management framework and regular operational review.

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

## COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2025

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### 2026 & Plans for the Future

During 2026, the Council, CEO and DOps will continue to focus on improving the long-term sustainability, cohesion and operational effectiveness of the charity's welfare amenities portfolio. Particular attention will continue to be given to the modernisation of the beneficiary offering, operational consistency across locations and the careful management of staffing, expenditure and financial performance.

Following significant work during 2025, the reopening of the Jackson Club at Minley is planned during early 2026 following the withdrawal of SASRA from this area of welfare provision. CESSAC will continue to work alongside Defence and partner organisations to support the successful re-establishment of the facility and the continuation of welfare amenities provision to the military community.

The Council has also approved, in principle, the future recruitment of a UK Area Manager intended to strengthen operational oversight, improve cohesion across the UK centres and provide additional support to local managers and DOps. It is hoped that this investment will improve operational consistency and contribute positively towards the longer-term sustainability of the welfare portfolio.

Operational performance across all centres will continue to be monitored carefully during 2026, particularly at locations facing ongoing staffing, recruitment or beneficiary demand challenges. Alongside this, CEO will undertake a review of Head Office cost apportionments across the organisations to ensure that shared support costs continue to be allocated fairly, proportionately and transparently.

More broadly, the Council remains committed to ensuring that CESSAC continues to provide relevant, welcoming and affordable welfare amenities to Service personnel, veterans and their families, whilst adapting appropriately to the changing needs of the Armed Forces community and the wider Defence environment.

### Going Concern

Rolling forecasts continue to be maintained carefully for both cash-flow and income & expenditure. Whilst the charity continues to experience operational deficits across parts of the welfare amenities portfolio, the overall financial position remained broadly stable during 2025 due in part to positive investment performance and the continued strength of the charity's reserves.

The Council continues to monitor operational performance, expenditure and investment activity carefully and remains satisfied that the charity continues to represent a going concern, supported by its reserves position, ongoing investment portfolio

### 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 4 times in 2025 with 96% 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	(Retired 19 November 2025)
Colonel C E H Ackroyd	(Retired 25 June 2025)
Mr I H Currie FCA	(Retired 19 November 2025)
Ms G Grindell MSc	
Commander S J Snowball RN	
Mr D J Foster FCA	
Mr S D Rice	

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

## COUNCIL MEMBERS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2025

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Lieutenant Colonel D B Ruffle RE	(Retired 9 April 2026)
Lieutenant Commander A Sard MBE RN	
Captain (Retd) N Fletcher	(Appointed 10 September 2025)
Mr A Davies	(Appointed 19 November 2025)

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 CVWWW.

### **Asset cover for funds**

An analysis of the restricted funds is included within note 21.

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

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

### FOR THE YEAR ENDED 31 DECEMBER 2025

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#### 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.

(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 & GSHS.

(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 Sumer Audit 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.



Commander S J Snowball RN

Trustee

Dated: 24.6.2026

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

## STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

*FOR THE YEAR ENDED 31 DECEMBER 2025*

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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; 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

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#### Opinion

We have audited the accounts of Church of England Soldiers', Sailors' & Airmen's Clubs (the 'charity') for the year ended 31 December 2025 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 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### 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, except to the extent otherwise explicitly stated in our report, 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.

# 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

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Council members' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Council members' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Council members' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Council members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Council members' report and from the requirement to prepare a strategic report.

#### **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**

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 design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# 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

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In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- Obtaining an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a direct effect on the financial statements and operations;
- Obtaining an understanding of the charity's policies and procedures on fraud risks, including knowledge of any actual, suspected or alleged fraud;
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud through our knowledge and understanding of the company and our sector-specific experience.

As a result of these procedures, we considered the opportunities and incentives that may exist within the association for fraud. We are also required to perform specific procedures to respond to the risk of management override. As a result of performing the above, we identified the following areas as those most likely to have an impact on the financial statements: health & safety and employment law, as well as compliance with the UK Companies and Charities Acts.

In addition to the above, our procedures to respond to risks identified included the following:

- Making enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of the board and senior management.
- Reading correspondence with regulators.
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

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#### Use of our report

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.



**Jordan Abbott BSc ACA (Senior Statutory Auditor)**  
for and on behalf of Sumer Audit  
Chartered Accountants  
Statutory Auditor  
Chichester

30/06/2026  
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Sumer Audit is the trading name of Sumer Auditco Limited

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

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
<b><u>Income and endowments from:</u></b>							
Voluntary income	3	1,705	81,556	83,261	6,437	17,442	23,879
Charitable activities	4	785,291	-	785,291	795,977	-	795,977
Investments	5	104,646	-	104,646	110,005	-	110,005
Other income	6	121,508	-	121,508	117,951	-	117,951
<b>Total income</b>		<b>1,013,150</b>	<b>81,556</b>	<b>1,094,706</b>	<b>1,030,370</b>	<b>17,442</b>	<b>1,047,812</b>
<b><u>Expenditure on:</u></b>							
Raising funds	7	7,380	-	7,380	7,682	-	7,682
Charitable activities	8	1,290,325	-	1,290,325	1,277,183	-	1,277,183
<b>Total resources expended</b>		<b>1,297,705</b>	<b>-</b>	<b>1,297,705</b>	<b>1,284,865</b>	<b>-</b>	<b>1,284,865</b>
<b>Net operating deficit</b>		<b>(284,555)</b>	<b>81,556</b>	<b>(202,999)</b>	<b>(254,495)</b>	<b>17,442</b>	<b>(237,053)</b>
Net gains/(losses) on investments	10	203,061	-	203,061	134,977	-	134,977
<b>Net (outgoing)/ incoming resources before transfers</b>		<b>(81,494)</b>	<b>81,556</b>	<b>62</b>	<b>(119,518)</b>	<b>17,442</b>	<b>(102,076)</b>

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

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

<b>Net (outgoing)/ incoming resources before transfers</b>		(81,494)	81,556	62	(119,518)	17,442	(102,076)
Gross transfers between funds	<b>11</b>	60,251	(60,251)	-	25,519	(25,519)	-
<b>Net (outgoing)/incoming resources</b>		(21,243)	21,305	62	(93,999)	(8,077)	(102,076)
<b>Other recognised gains and losses</b>							
Other gains or losses	<b>12</b>	2,652	-	2,652	(5,893)	-	(5,893)
<b>Net movement in funds</b>		(18,591)	21,305	2,714	(99,892)	(8,077)	(107,969)
Fund balances at 1 January		3,032,131	-	3,032,131	3,132,023	8,077	3,140,100
<b>Fund balances at 31 December</b>		3,013,540	21,305	3,034,845	3,032,131	-	3,032,131

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.

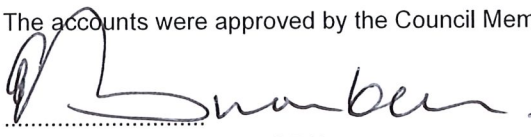
# CHURCH OF ENGLAND SOLDIERS', SAILORS' & AIRMEN'S CLUBS

## BALANCE SHEET

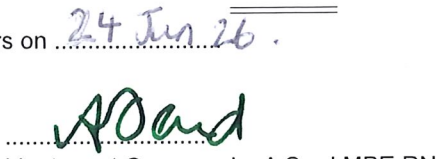
AS AT 31 DECEMBER 2025

	Notes	2025		2024	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	16		160,851		122,472
Investments	17		2,701,392		2,803,507
			<u>2,862,243</u>		<u>2,925,979</u>
<b>Current assets</b>					
Stocks	18	21,840		24,329	
Debtors	19	103,438		77,515	
Cash at bank and in hand		262,916		174,309	
			<u>388,194</u>	<u>276,153</u>	
<b>Creditors: amounts falling due within one year</b>	20		<u>(215,592)</u>	<u>(170,001)</u>	
Net current assets			<u>172,602</u>		<u>106,152</u>
<b>Total assets less current liabilities</b>			<u>3,034,845</u>		<u>3,032,131</u>
<b>Income funds</b>					
Restricted funds	21		21,305		-
<u>Unrestricted funds</u>					
Designated funds	22	3,031,695		3,032,131	
			<u>3,013,540</u>		<u>3,032,131</u>
			<u>3,034,845</u>		<u>3,032,131</u>

The accounts were approved by the Council Members on 24 Jun 26.



Commander S J Snowball RN  
Trustee



Lieutenant Commander A Sard MBE RN  
Trustee

Company Registration No. 00034118

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

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £	£	2024 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	25		(264,921)		(317,415)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(62,310)		(38,522)	
Proceeds from disposal of tangible fixed assets		3,700		-	
Purchase of investments		(48,969)		(121,158)	
Proceeds from disposal of investments		354,145		244,820	
Investment income received		104,646		110,005	
<b>Net cash generated from investing activities</b>			351,212		195,145
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			86,291		(122,270)
Cash and cash equivalents at beginning of year			174,309		294,239
Effect of foreign exchange rates			2,316		2,340
<b>Cash and cash equivalents at end of year</b>			262,916		174,309

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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### 1 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, Hampshire, Portsmouth, PO1 2RH.

#### 1.1 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.

#### 1.2 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.

#### 1.3 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 or grantors 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.

#### 1.4 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.

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 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.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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### 1 Accounting policies

(Continued)

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.

#### 1.5 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.

#### 1.6 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.

#### 1.7 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.

#### 1.8 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.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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### 1 Accounting policies (Continued)

#### 1.9 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.

#### 1.10 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.

#### 1.11 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.

##### **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.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2025

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#### 1 Accounting policies

(Continued)

##### **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.

##### **Derecognition of financial liabilities**

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

#### 1.12 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.

#### 1.13 Retirement benefits

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

#### 1.14 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.

#### 1.15 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 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.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

### 3 Voluntary income

	Unrestricted funds	Restricted funds	Total Unrestricted funds	Restricted funds	Total
	2025 £	2025 £	2025 £	2024 £	2024 £
Donations and gifts	1,705	2,422	4,127	3,949	3,949
Other grants	-	79,134	79,134	17,442	19,930
	<u>1,705</u>	<u>81,556</u>	<u>83,261</u>	<u>17,442</u>	<u>23,879</u>

### 4 Charitable activities

	Supporting HM Forces in the UK and overseas 2025 £	Supporting HM Forces in the UK and overseas 2024 £
Sale of goods	773,016	782,828
Other income	12,275	13,149
	<u>785,291</u>	<u>795,977</u>

#### Charitable trading income

Incoming resources derive from UK and activities in British HM Forces bases overseas including income from charitable trading activities.

### 5 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Income from listed investments	103,353	108,000
Interest receivable	1,293	2,005
	<u>104,646</u>	<u>110,005</u>

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

### 6 Other income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Net gain on disposal of tangible fixed assets	1,100	-
Management fees and office rent	120,408	117,951
	<u>121,508</u>	<u>117,951</u>

### 7 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Investment management	7,380	7,682
	<u>7,380</u>	<u>7,682</u>

### 8 Charitable activities

	Supporting HM Forces in the UK and overseas 2025 £	Supporting HM Forces in the UK and overseas 2024 £
Staff costs	547,918	502,935
Depreciation and impairment	24,324	29,933
Cost of supplies	299,380	332,256
Operating costs	200,806	204,642
	<u>1,072,428</u>	<u>1,069,766</u>
Share of support costs (see note 9)	169,996	166,379
Share of governance costs (see note 9)	47,901	41,038
	<u>1,290,325</u>	<u>1,277,183</u>

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

### 9 Support costs allocated to activities

	2025 £	2024 £
Staff costs	144,752	137,788
Depreciation	240	240
Head office costs	25,004	28,351
Governance costs	47,901	41,038
	<u>217,897</u>	<u>207,417</u>
<b>Analysed between:</b>		
Supporting HM Forces in the UK and overseas	<u>217,897</u>	<u>207,417</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 to the charitable activities undertaken in the year.

Included within governance costs are fees payable to the charity's auditors of £8,640 (2024: £5,875) for the audit and £1,235 (2024: £1,190) for other services.

### 10 Gains and losses on investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Gains/(losses) arising on:		
Revaluation of investments	196,509	83,177
Sale of investments	6,552	51,800
	<u>203,061</u>	<u>134,977</u>

### 11 Transfers

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

### 12 Other gains or losses

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Foreign exchange (losses)/gains	<u>2,652</u>	<u>(5,893)</u>

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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### 13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

### 14 Council Members

None of the Council members (or any persons connected with them) received any remuneration during the current or prior year, but 5 of them were reimbursed a total of £1,206 travelling expenses (2024 - 7 were reimbursed £1,069).

### 15 Employees

#### Number of employees

The average monthly number of employees during the year was:

	<b>2025</b>	<b>2024</b>
	<b>Number</b>	<b>Number</b>
Full time (UK & FI)	5	5
Part time (UK & FI)	27	23
Full time (Cyprus)	1	1
Part time (Cyprus)	22	19
	<hr/>	<hr/>
	55	48
	<hr/> <hr/>	<hr/> <hr/>

#### Employment costs

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Wages and salaries	644,629	614,486
Social security costs	46,741	24,696
Other pension costs	28,872	27,786
	<hr/>	<hr/>
	720,242	666,968
	<hr/> <hr/>	<hr/> <hr/>

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

### 15 Employees

(Continued)

#### Chief Executive Remuneration

The highest paid director received £40,013 (2024 - £42,009) remuneration (excluding pension contributions).

For the purposes of the above disclosures, "Director" also includes the Chief Executive and any other person who is a member of the executive management team, or its equivalent, of the association.

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' & Airmen's Housing Association (the 'association'). The Chief Executive is not a Director, but was an ordinary member of the association's defined contribution pension scheme carrying no special terms. The division of the costs for all joint employees is regularly reassessed in proportion to the value of contribution to each entity. The division of the costs for all joint employees is regularly reassessed in proportion to the value of contribution to each entity, the CEO's being 50% to the association and to CESSAC. This resulted in the share of costs below (excluding national insurance contributions):

	2025	2024
CESSAC Emoluments	£40,012	£42,009
Association Emoluments	£40,013	£42,009
Total Emoluments	£80,025	£84,018
CESSAC pension contribution	£3,987	£3,796
Association pension contribution	£3,988	£3,796
Total pension contributions	£7,975	£7,932

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

### 16 Tangible fixed assets

	Land and buildings	Leasehold properties	Furniture, fittings & equipment	Vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2025	12,000	249,937	258,173	28,836	548,946
Additions	-	-	62,310	-	62,310
Disposals	-	-	(856)	(6,500)	(7,356)
Exchange adjustments	-	13,087	7,416	1,169	21,672
At 31 December 2025	12,000	263,024	327,043	23,505	625,572
<b>Depreciation and impairment</b>					
At 1 January 2025	5,280	249,937	153,728	17,529	426,474
Depreciation charged in the year	240	-	21,270	3,054	24,564
Eliminated in respect of disposals	-	-	(856)	(3,900)	(4,756)
Exchange adjustments	-	13,087	4,638	714	18,439
At 31 December 2025	5,520	263,024	178,780	17,397	464,721
<b>Carrying amount</b>					
At 31 December 2025	6,480	-	148,263	6,108	160,851
At 31 December 2024	6,720	-	104,445	11,307	122,472

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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### 17 Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2025	2,803,507
Additions	48,969
Valuation changes	196,509
Disposals	(347,593)
At 31 December 2025	<u>2,701,392</u>
<b>Carrying amount</b>	
At 31 December 2025	<u>2,701,392</u>
At 31 December 2024	<u>2,803,507</u>

#### 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 historic cost of £2,285,985 (2024 - £2,528,768).

### 18 Stocks

	2025 £	2024 £
Finished goods and goods for resale	<u>21,840</u>	<u>24,329</u>

### 19 Debtors

	2025 £	2024 £
<b>Amounts falling due within one year:</b>		
Other debtors	71,584	45,704
Prepayments and accrued income	31,854	31,811
	<u>103,438</u>	<u>77,515</u>

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### 20 Creditors: amounts falling due within one year

	2025 £	2024 £
Other taxation and social security	14,739	22,256
Trade creditors	87,367	39,621
Other creditors	82,189	80,038
Accruals and deferred income	31,297	28,086
	<u>215,592</u>	<u>170,001</u>

#### 21 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2025 £	Incoming resources £	Transfers £	At 31 December 2025 £
ACEST	-	30,000	(26,850)	3,150
REA	-	30,979	(30,979)	-
CESSA Housing Association	-	2,422	(2,422)	-
RSME	-	18,155	-	18,155
	<u>-</u>	<u>81,556</u>	<u>(60,251)</u>	<u>21,305</u>
	<u>-</u>	<u>81,556</u>	<u>(60,251)</u>	<u>21,305</u>
<b>Previous year:</b>	<b>At 1 January 2024 £</b>	<b>Incoming resources £</b>	<b>Transfers £</b>	<b>At 31 December 2024 £</b>
ACEST	1,277	17,442	(18,719)	-
Army Central Fund	6,800	-	(6,800)	-
	<u>8,077</u>	<u>17,442</u>	<u>(25,519)</u>	<u>-</u>
	<u>8,077</u>	<u>17,442</u>	<u>(25,519)</u>	<u>-</u>

The ACEST grant was provided to cover the cost of cafe equipment for the Club Kitchen.

The REA grant was provided to cover the cost of furniture for the Club.

The CESSA Housing Association donation was provided to cover the cost of a combi boiler for Head office.

The RSME grant was provided to cover the cost of two new coffee machines for the Club.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

### 22 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2025	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2025
	£	£	£	£	£	£
Operating cost reserve	1,000,000	-	-	-	-	1,000,000
Capital fund for future opportunities	2,032,131	-	-	(436)	-	2,031,695
General funds	-	1,013,150	(1,297,705)	60,687	205,713	(18,155)
	<u>3,032,131</u>	<u>1,013,150</u>	<u>(1,297,705)</u>	<u>60,251</u>	<u>205,713</u>	<u>3,013,540</u>
<b>Previous year:</b>	<b>At 1 January 2024</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfers</b>	<b>Gains and losses</b>	<b>At 31 December 2024</b>
	£	£	£	£	£	£
Operating cost reserve	1,020,000	-	-	(20,000)	-	1,000,000
Capital fund for future opportunities	2,112,023	-	-	(79,892)	-	2,032,131
General funds	-	1,030,370	(1,284,865)	125,411	129,084	-
	<u>3,132,023</u>	<u>1,030,370</u>	<u>(1,284,865)</u>	<u>25,519</u>	<u>129,084</u>	<u>3,032,131</u>

Reserves have been established as follows:

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

### 23 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
<b>Fund balances at 31 December 2025 are represented by:</b>			
Tangible assets	160,851	-	160,851
Investments	2,701,392	-	2,701,392
Current assets/(liabilities)	169,452	3,150	172,602
	<u>3,031,695</u>	<u>3,150</u>	<u>3,034,845</u>
<i>Per balance sheet</i>	3,013,540	21,305	3,034,845
<i>Balance to allocate</i>	(18,155)	18,155	-

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
<b>Fund balances at 31 December 2024 are represented by:</b>			
Tangible assets	122,472	-	122,472
Investments	2,803,507	-	2,803,507
Current assets/(liabilities)	106,152	-	106,152
	<u>3,032,131</u>	<u>-</u>	<u>3,032,131</u>

### 24 Related party transactions

Donations totalling £1,083 (2024 - £325) were received from Trustees during the year.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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<b>25 Cash generated from operations</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Surplus/(deficit) for the year	62	(102,076)
Adjustments for:		
Investment income recognised in statement of financial activities	(104,646)	(110,005)
Foreign exchange differences	(581)	(3,048)
Gain on disposal of tangible fixed assets	(1,100)	-
Gain on disposal of investments	(6,552)	(51,800)
Fair value gains and losses on investments	(196,509)	(83,177)
Depreciation and impairment of tangible fixed assets	24,564	30,173
Movements in working capital:		
Decrease in stocks	3,427	16,851
(Increase) in debtors	(25,724)	(45,310)
Increase in creditors	42,138	30,977
<b>Cash absorbed by operations</b>	<b>(264,921)</b>	<b>(317,415)</b>

## 26 Analysis of changes in net funds

The charity had no material debt during the year.