

MAN

# **BRITISH FORCES FOUNDATION**

(COMPANY LIMITED BY GUARANTEE)

(REGISTERED CHARITY)

## **TRUSTEES' REPORT AND UNAUDITED ACCOUNTS**

**FOR THE YEAR ENDED**

**31 MARCH 2021**

**BRITISH FORCES FOUNDATION**  
**CONTENTS TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	<b>Page</b>
<b>Legal and administrative details</b>	<b>1</b>
<b>Trustees' Report</b>	<b>2</b>
<b>Independent Examiners Report</b>	<b>10</b>
<b>Statement of Financial Activities</b>	<b>11</b>
<b>Balance Sheet</b>	<b>12</b>
<b>Cash Flow Statement</b>	<b>13</b>
<b>Notes to the Financial Statements</b>	<b>14</b>

**BRITISH FORCES FOUNDATION**  
**LEGAL AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

<b>Status</b>	The organisation is a company limited by guarantee, incorporated on 30 March 1999 and registered as a charity on 15 April 1999.
<b>Company number</b>	3745373
<b>Charity number</b>	1075109
<b>Registered and Principal office</b>	10A High Street Pewsey Wiltshire SN9 5AQ
<b>Chairman</b>	L Mansfield
<b>Chief Executive</b> (sometimes referred to as 'Director' as a job title but not a director of the company)	M J A Cann
<b>Patron</b>	HRH The Prince of Wales KG KT GCB
<b>Vice-Presidents</b>	Major General Arthur Denaro CBE Admiral Sir Jock Slater GCB LVO DL General The Lord Guthrie GCB LVO OBE
<b>Founder</b>	J C Davidson OBE
<b>Bankers</b>	The Royal Bank of Scotland Holt's Farnborough Branch Lawrie House Victoria Road Farnborough Hampshire GU14 7NR
<b>Solicitors</b>	Appointed on specific needs basis as and when required
<b>Independent Examiner</b>	Simon Ellingham FCA DChA Fawcetts LLP Chartered Accountants Windover House St Ann Street Salisbury SP1 2DR

**BRITISH FORCES FOUNDATION  
(COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

The Trustees have pleasure in presenting their annual report with the accounts of the Charity for the year ended 31 March 2021.

Legal and administrative information set out on page 1 forms part of this report. The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective from 1 January 2015 - Charities SORP (FRS 102), and the Companies Act 2006.

## **REFERENCE AND ADMINISTRATION DETAILS**

British Forces Foundation is a company limited by guarantee and a Charity registered with the Charity Commission.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing Document**

The Charity is regulated by its Memorandum and Articles of Association adopted on 30 March 1999 and last amended on 27 February 2005.

### **The Trustees**

All the trustees of the Charity are also directors of the company. The Board of Trustees is responsible for the overall governance of the Charity. There are to be a minimum of three Trustees on the Board, but no maximum is specified.

The directors who served during the year and up to the date of this report were as follows:

	Appointed	Resigned
Mr L Mansfield Chairman	30-Mar-99	
Admiral Sir James Perowne KBE	01-Mar-02	
Lord Robertson KT GCMG PC	04-Nov-04	
Mlss K M Jenkins OBE BMUS (RAM) ARAM	04-May-06	
Lieutenant General P T C Pearson	21-Sep-06	
Sir Gerald Howarth MP	19-Mar-09	
Mr J W C Molr CBE LVO KSG	31-Oct-13	
Air Vice Marshal M Wiles CB CBE	11-Jun-15	
Brigadier A Thomson MSc MBA FIET C Eng	16-Mar-16	
CWO Nicholas Sharland	06-Mar-17	21-May-20
WO1 Michael Turnbull MA	21-May-20	
Katharine Pooley	01-Mar-20	

The names of senior executive staff and external auditors of the Charity are set out on page 1.

### **Definitions:**

Input = fundraising, sponsorship and donations.

Output = product of the Charity fulfilling its charitable objectives.

### **Recruitment, appointment and training of trustees**

Trustees are appointed by the members at the next available Trustee meeting of the Charity after nomination by the Trustees as required by the Charity's Articles of Association.

All the Trustees either work for, represent or are trustees of another UK registered charity. In addition, each Trustee is given a copy of CC1 Charity Commission Publications and CC3 The Essential Trustee: What you need to know, on appointment. All new Trustees attend an induction day and a number of discussions with professionals about the work of the Charity, its consummate responsibilities and their responsibilities as a Trustee. The Chief Executive is constantly available to advise Trustees on their responsibilities and recommend Charities Aid Foundation courses. The Charity is a member of the Fundraising Regulator and COBSEO (Confederation of British Service and Ex Service Organisations). The CEO is a member of ACEVO.

**BRITISH FORCES FOUNDATION  
(COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

## **Management**

In addition to the Governance meeting (AGM - now Incorporated Into normal Trustee meetings), under normal circumstances the Board will meet on four occasions each year where Trustees review performance and as necessary the future operating plans and budgets. Extraordinary Board meetings are also held when required. The Finance Committee meets approximately six times a year to monitor investments, set the budget and make any adjustments to the financial management. The Fundraising Committee meets four times a year and takes an in-depth look at the risk, style and effectiveness of all fundraising activity. The Charity has approved a Data Protection Policy that includes the new General Data Protection Regulation (GDPR) that came into force on 25 May 2018.

The Board delegate the exercise of certain powers in connection with the management and administration of the Charity to M J A Cann (Chief Executive). This is controlled by requiring regular reporting back to the Board so that all decisions made under delegated power are briefed to the full Board. M J A Cann is responsible for the day-to-day management of the Charity's affairs, all the Charity's operations, and events and for implementing policies agreed by the Board.

## **Group structure**

The Charity is no longer part of any group structure, Forces Events Limited was dissolved in April 2021.

## **Risk Assessment**

The Trustees have identified the major risks to which the Charity is exposed, reviewed those risks and have established systems to mitigate those risks. The Charity has a Risk Management Policy and Register that is regularly reviewed by the Executive and Trustees.

## **ORGANISATION**

The Charity's office is in Pewsey, Wiltshire. The Charity employs a full time Chief Executive and Administrative Assistant. The Charity has successfully employed three disabled ex-servicemen and will endeavour to do so again in the near future. A suitable post has been identified but aspirations have been delayed due to Covid 19 pandemic.

The Charity also retains the services of a Marketing and Research Expert, who manages the website, co-ordinates PR, produces all print material and assists with input and output events and an additional consultant working on special projects. The charity employs the services of a part time Charitable Trust fundraiser (approximately 2 days per month) and a bookkeeping company, Riverview Portfolio Limited a local accounting firm.

Additional expertise and staff are hired to handle specific productions/events/projects whether input or output on a case-by-case basis. These tend to be the same people who are well known to the Charity and particularly good at dealing with the specific difficulties of productions in war zones and on military property. Though not on any retainer, these people are permanently available to the Charity. Their impressive loyalty to the Charity remains worthy of note.

## **ENVIRONMENTAL CONSIDERATIONS**

The Trustees take environmental issues seriously. To that end, they have encouraged, where possible, environmental considerations in all aspects of the Charity's operations. Whilst the Charity's expansion necessitates a high volume of travel and working hours, the Charity endeavours to use trains and public transport wherever possible and continue to minimise air travel.

The Charity has taken advantage of the Government 'Cycle to Work' Initiative in the past and one employee regularly 'cycles to work'. This is similar to a policy internally developed by the Charity in previous years. The Charity has fully embraced the local council's recycling scheme.

## **OBJECTIVES AND ACTIVITIES**

The principal objective of the Charity, as set out in the Memorandum and Articles of Association, is to "promote the efficiency of the Armed Forces by charitable means, by promoting the well-being and esprit de corps of all serving personnel primarily through entertainment".

**BRITISH FORCES FOUNDATION  
(COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

**OBJECTIVES AND ACTIVITIES continued**

It remains the special intention of the Trustees that the Foundation contributes to the enhancement of both the quantity and quality of live entertainment currently provided to Service men and women both at home and overseas. This is achieved by the Foundation continuing to fund and produce its own shows to entertain the military community, especially, but not exclusively, those on operational tours of duty. The Foundation uses its influence to persuade major artistes to take part in its events and shows as charitable activity (i.e. charging no fee). The Charity will continue to ensure the provision of entertainment be on a 'need' basis evaluated to the outcomes, so as to ensure the right people get the right entertainment of the highest possible quality at the right time for the lowest cost to both the charity and in any formal arrangement the MOD.

The Charity remains contemporary and lateral in its approach as the Trustees seek other methods to enhance troop morale through entertainment and other mediums.

The Charity continues to highlight important aspects of welfare to the Ministry of Defence and government in general. In the year, the Charity carried out a few activities in partnership with other sector charities. The Charity will further develop these and other partnerships and is willing to consider a merger with other charities. Although considerable work has been done by the Charity in this area, not least to honour the agenda of COBSEO and the Charity Commission, it has encountered considerable reluctance from all those it has held discussions with. As a corollary to this the Charity also goes out of its way to make it known that it is happy to help and advise others on entertainment, events and using celebrities effectively.

The Charity is particularly pleased with the effect and popularity of its travelling Pantomime project that tours UK twice a year during the Easter and Christmas periods. The output has grown with demand to 80 shows in UK, Cyprus and Germany in this reporting period. These are very popular with serving families and increasingly single young serving personnel! This will continue to evolve. The effect of Covid meant that few shows could be 'live' so the charity switched to a live stream and film show that proved very popular.

The role of broadcast media as part of the Charity's output remains a feature of the Foundation's contribution to the Armed Services and to Service men and women. The expansion into making short films such as the annual Christmas message has been a significant development to the Charity's output activity, which will continue to expand in tandem with the Charity's Video on Demand (VOD) and digitisation programme, using social media to further communicate with Service men and women to offer support and boost morale. The Charity is still in discussions (delayed by guess what) about a Radio project, a TV one off programme project with BBC/ITV and a short film project.

Research is important to the Charity's activity and the Charity will look to conduct further research in important areas to assist it in providing help and assistance in the geographical areas that need it most and in hitherto neglected areas of welfare. Research is an important aspect of keeping evaluation and monitoring relevant and up to date.

The Charity contributes to a wide number of research projects.

**ACHIEVEMENTS AND PERFORMANCE**

During the year the Charity was unable to undertake major charitable projects for the benefit of Service men and women in the furtherance of its objectives and activities by putting on shows due to travel and Covid restrictions. Instead the charity ruthlessly cut costs by over 50%, mainly through pay cuts (up to 50%) agreed with staff and by significant levels of volunteering. Over 3000 hours were completed by the CEO alone. Tasks were very varied but included organising the traffic at recycling centres, people flow at vaccination centre and even working in Covid ICU wards assisting in times of extreme pressure on the NHS with 'patient handling' and other directed tasks. The charity also coordinated the Covid response for a small rural area close to its office. The Trustees are particularly satisfied with the credibility the Charity maintained throughout the pandemic with the Military and Ministry of Defence (MOD) and also the level of output it achieved in furtherance of its objects alongside significant volunteering tasks.

Sadly a number of tours to multiple locations around the Middle East during the year were set up and then cancelled at short notice due to changes in Covid regulations at home and in destination countries. Nonetheless the charity was keen always to be prepared to go as soon as it was possible. Therefore the number of shows in Operational Theatres decreased during the year.

**BRITISH FORCES FOUNDATION  
(COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

**ACHIEVEMENTS AND PERFORMANCE continued**

A particular achievement of the year was the successful trial of BFF VOD. It is fully tested in the most arduous of deployed conditions and has been extremely well received. The SF trial Unit concluded their report by saying 'we consider it inconceivable that we will deploy without the BFF box again'. Trying to get acknowledgement from civil servants and officers in the welfare space has been extremely frustrating. The reason; considerable lobbying against and misinformation by contractors with a vested interest and in some cases basic inefficiency. What is in no doubt is; the BFF VOD works, is wanted, is extremely popular and is different from anything else that is provided as well as being particularly adept at servicing the areas most welfare cannot reach. The story is not untypical. Such an innovative and contemporary solution embraced by the young men and women of the Armed Forces will always experience a lag whilst those much older, yet nonetheless in positions to make decisions on their behalf, catch up. The pace of change in habits, taste and use of entertainment is rapid and to an extent the lack of comprehension is understandable. The consequence is however a grave failing to those who deserve better. The charity will continue to be outspoken and forthright on their behalf, especially where it concerns this innovation.

The Trustees are very satisfied with the beneficiary feedback and monitoring and the high praise BFF has received from the Military and PJHQ for its conduct and effectiveness during the year.

Compensating for the cancelled contract whilst maintaining historic levels of output has presented a real challenge to the Charity's resources as the volume of work and the commensurate expense has increased above expectation. The argument for the contract being cancelled due to a lack of 'requirement' has been seen by events to be wrong. The evidence and irony of this has been the significant demand from Units themselves and not least the former contracting Authority (PJHQ and RN) itself. A successful bid for Libor funds has offered significant assistance (starting April 2017) albeit with the increased burden of the Charity having to raise an extra £200,000 per annum to support the 'welfare gap' programme and a further estimated £300,000 pa to compensate for the cancellation of the contract altogether. The Trustees are delighted at how well the charity responded to this challenge and especially that it has maintained a very high and consistent level of quality output. The numerous testimonials, letters and social media posts from beneficiaries highlight this effect (published on the website). This situation converging into Covid has not been helpful but the charity remains strong and cognisant of this challenge ahead.

The Charity's relations with broadcast media continue to be sound and it has worked on a variety of programmes and projects during this reporting period.

During the year the Charity further developed its digitisation programme, with website development and social media interactivity. These programmes are firmly meant to communicate between the public and those on the frontline. This corollary of the Charity's activity continues to be endorsed by the Charity's on-going 'Lap of Honour' programme/campaign although it is acknowledged that in recent years this has lost momentum due to the lack of kinetic military activity, which is a good thing.

The Trustees are satisfied that the Charity is progressing as intended and are content that the aims of year twenty one, in so far as was possible have been achieved. The Charity's website [www.bff.org.uk](http://www.bff.org.uk) has detailed accounts of all BFF input and output activity.

Trustees wish to draw particular attention to the fact that the Charity achieves impressive leverage from the donations of individuals' (major stars) time and talent. Independent valuations of such donations in kind far outstrip the total income of the Charity. The Charity is indebted to those who give their time and considerable talent, in difficult circumstances, in this way.

The fundraising targets of the Charity are being reached. A satisfactory level of funding is achieved for the Charity's output activities. It is worthy of note that fundraising is challenging due to economic circumstances.

The Trustees are confident the Charity is achieving all its objectives and continues to be lateral and imaginative in its approach and remains a going concern.

**INVESTMENT POLICY and PERFORMANCE**

A reserve of cash deposits is held with banks authorised by the Trustees. The purpose of this reserve is to be available to cover fluctuations in cash requirements through the course of the year and to allow for an orderly restructuring of the organisation in the event of a sudden and sharp reduction of income.

**BRITISH FORCES FOUNDATION  
(COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

**INVESTMENT POLICY and PERFORMANCE continued**

The remaining reserves are marked for the medium-term development of the Charity. The most important objective of this fund is to earn the highest total return within an acceptable level of financial risk. The principal investments are holdings in the Armed Forces Common Investment Fund with the BlackRock Group, Seven Investment Management Fund and in the St James' Place Recovery Fund. The investments were monitored regularly during the year against a composite index of benchmarks. The quoted investments showed a capital gain during this year of £252,404 (2020 - £115,948 loss). The investment performance over the period was good. Against comparable products the Charity's investments performed very well.

As a response to Covid the charity secured a short term (12 month) loan for £150,000 and liquidated considerable investments (35% of holdings) to guarantee it could ride out any fluctuations and meet demand without disruption.

Trustees are grateful that the policy to build Reserves has proved incredibly prudent during the Transition post Op Herrick, the cancellation of the Live Entertainment contract and uncertainty over MOD welfare funding. As a policy the charity has never relied on MOD funding.

The Charity carried out an Internal Governance review and a Strategic review during the year and is satisfied with its governance procedures and oversight and is monitoring identified areas of potential concern. It believes its current strategy is extant for at least the next two years. The stress of Covid prove the charity is extremely resilient, flexible and well run.

**FINANCIAL REVIEW**

Donations and sponsorship of £137,757 (2020 - £500,266) were received in the year. Net assets at the balance sheet date amounted to £1,851,484 (2020 - £1,612,405).

The Trustees are satisfied with the financial position of the Charity at 31 March 2021.

The Trustees have ensured the Charity has fulfilled its legal obligation to PAYE employees by providing a Workplace Pension through NEST. One employee has chosen to opt out of the NEST plan.

**RESERVES**

The Charity holds reserves that equate to approximately two years' operating costs (including output costs) from which interest is earned and placed in the Charity's general funds.

Financially the Charity is stable but for it to develop further it would be prudent to have greater cash resources to underwrite any potential drop in income and to cope with a possible increase and widening of the demand for activities and new projects.

At the balance sheet date the Charity had free reserves of £374,212 (2020 - £138,549).

**PLANS FOR FUTURE PERIODS**

The charity hopes to celebrate its 21<sup>st</sup> year in 2021 as all events planned in 2020 have been postponed.

During the 23<sup>rd</sup> year of operation the intention of the Charity is to: *continue to concentrate on consolidating running costs whilst maximising income through increased event profitability and donations. In particular, the Charity will continue to develop its appeal to Trusts and companies that have been so successful in recent years.*

*The Charity will seek to resume its output levels to pre Covid levels, albeit within the constraints of available funds. It will continue to plug the gap created by the termination of the Live Entertainment Worldwide Contract. The Charity expects in the next two years to draw down on its reserves to compensate for this. The Charity will continue to engage with the services to develop a sustainable model by which to provide its output.*

*Support to Operational personnel will be the charity's main effort, in furtherance of its objects, for the next year. The uncertainty over welfare direction is a challenge for the charity and is frustrating long term planning. Whatever the resolution may be, there is unquestionably an issue that means personnel are missing out on a significant amount of important welfare provision, especially in the areas that seek to mitigate against isolation on Operations. This is an area the Trustees are determined to identify to the Authority and work with them in providing a satisfactory solution.*



**BRITISH FORCES FOUNDATION  
(COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

**PLANS FOR FUTURE PERIODS continued**

*The Charity is aware of the significant beneficial impact it has on 'Unit cohesion' and will remain mindful to maintain that and increase the Impact where possible. Little of this activity is achievable under Covid restrictions. The inability to collect an audience together and travel safely overseas under Covid restrictions to all intents and purposes cancelled the live events and fundraising plans of the financial year 2020/21 and is having a similar impact of the first two quarters of 2021/22: core activities to Output and Input.*

The campaign to establish a greater understanding of the Charity's status in the eyes of the MOD and Services is in progress and has been partially successful but must continue in perpetuity due to the high turnover of personnel with the Ministry. This point has become more evident in the last year. The Charity feels strongly that it could play a significant role using its celebrity contacts to more effectively 'message' welfare issues to service personnel. It now believes it has been successful in moving entertainment to a 'need' footing. BFF projects remain the highest profile and effective provision of entertainment to the Armed Forces.

The Charity will always be open to discussion and keen to participate fully in Joint Ventures with other charities. It will also continue to seek out possible merger opportunities.

VOD (BFFTV) project development will continue.

The Charity believes it has a strong and positive role to play with positive 'messaging' to the serving community and is looking at how this can be effectively achieved.

The Charity will consider in detail the concept of forming a grant giving Foundation/Trust for morale projects to further help with the demand created by the contract demise but also as an expansion of its charitable activity for serving personnel.

The impact of the Charity's benefit to Service men and women, families and others is measured by an approved qualitative monitoring process. The effect on morale and esprit de corps is beneficial at both group and individual level. Testimonies from serving personnel, family members and commanding officers show that the Charity's activities have a positive impact on those serving or injured. The Charity commissioned an Independent report on 'morale' published in 2012 by the Institute of Psychiatry at King's College London University, which looked in detail at the impact and effect of its projects. The conclusion was that the

Charity makes a significant impact to morale and the feeling of support from the general public and that the creation of such conditions has a significant effect along with other conditions in reducing the incidents of stress and mental disorders later on. Recent experience in the reporting period has further endorsed this view. The Charity intends to commission further research for publication in 2023.

In these difficult financial times, government welfare budgets are being cut and therefore the role of charities particularly those that assist 'serving' military personnel will become more important and significant. The Charity is in a strong position to expand into areas of welfare that may no longer be publicly funded and to work in partnership with MOD to this end. This will be a particular area of focus in 2021/22.

The Trustees plan to build up funds to a level that will guarantee the Charity's long-term future and provide a greater measure of confidence in its ability to deliver quality output to the Services. Last year we wrote *"Despite our endless optimism Covid has been simultaneously a metaphorical pain in the arse and kick in the teeth! (to coin a few phrases). Nonetheless it remains the intention to replace and then increase any lost reserves under investment, the interest from which will help guarantee a satisfactory minimum level of output in the future"*. The year of this reporting has not brought cause to change the Trustees' opinion!

2021 will in effect be the year in which we celebrate The British Forces Foundation's 21<sup>st</sup> year and significant beneficiary focused events are being planned.

2021/22 will also see a comprehensive and forensic review of all the charity's activities and produce a revision of the 2017 Strategy.



21 Years Of The  
BRITISH FORCES  
FOUNDATION

## The BFF at work



### *Front line*

"The British Forces Foundation's assistance has been critical to supporting the moral component and enabling us to maintain cohesion and motivation for those isolated in quarantine."

Director Crisis Operations Cell



"The demands of Operation Pitting exposed our people to numerous traumatic experiences. It was essential to provide them with an appropriate Post Operational Stress Management package. Thank you for helping us to look after our people and ensure their future welfare"

Commander, 16 Air Assault Bde

### *& Families*

"We had the pleasure of seeing you all on Monday night and you were fantastic! My kids thoroughly enjoyed it – they clapped and laughed and danced. It meant so much to us as their dad is away on deployment and we thought Christmas wouldn't be special. You made this week amazing for them – thank you."



**BRITISH FORCES FOUNDATION  
(COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and the group and of the surplus or deficit of the group for that period. In preparing these accounts, the Trustees are required to:

- a) Select suitable accounting policies and then apply them consistently.
- b) Observe the methods and principles of the Charities SORP 2015 (FRS 102).
- c) Make judgements and accounting estimates that are reasonable and prudent.
- d) State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- e) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**EXEMPTION**

The Trustees' report has been prepared taking advantage of the exemptions available to small companies under the Companies Act 2006.

Approved by the Trustees on 6/12/21 and signed on their behalf by

  
L Mansfield - Chairman  
Trustee



**INDEPENDENT EXAMINER'S REPORT  
TO THE TRUSTEES OF  
BRITISH FORCES FOUNDATION**

---

I report to the charity trustees on my examination of the accounts of British Forces Foundation (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

**Responsibilities and basis of report**

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. Accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. The accounts do not accord with those records; or
3. The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

---

Simon Ellingham FCA DChA  
Fawcetts LLP  
Chartered Accountants  
Windover House  
St. Ann Street  
Salisbury  
SP1 2DR

---

Date

**BRITISH FORCES FOUNDATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted £	Restricted £	2021 Total £	2020 Total £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and sponsorships		96,357	41,400	137,757	500,266
Income from charitable activities					
Fundraising		27,057	-	27,057	143,107
Investment and other income	5	75,429	-	75,429	54,691
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL INCOME AND ENDOWMENTS</b>		<u>198,843</u>	<u>41,400</u>	<u>240,243</u>	<u>698,064</u>
<b>EXPENDITURE ON:</b>					
Charitable activities					
Direct costs	6	109,846	83,838	193,684	449,916
Raising funds					
Fundraising costs	7	60,409	-	60,409	135,024
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total expenditure</b>	9	<u>170,255</u>	<u>83,838</u>	<u>254,093</u>	<u>584,940</u>
<b>NET (EXPENDITURE)/INCOME</b>		28,588	(42,438)	(13,850)	113,124
Gain/(loss) on investments	10	<u>252,929</u>	<u>-</u>	<u>252,929</u>	<u>(115,809)</u>
<b>Net movement in funds</b>		281,517	(42,438)	239,079	(2,685)
Fund balances brought forward	14	<u>1,274,407</u>	<u>337,998</u>	<u>1,612,405</u>	<u>1,615,090</u>
<b>Fund balances as at 31 March 2021</b>	14	<u>1,555,924</u>	<u>295,560</u>	<u>1,851,484</u>	<u>1,612,405</u>

Details of comparatives by fund are disclosed in Note 20.

All of the above results are derived from continuing activities. There were no recognised gains or losses other than those stated above.

**BRITISH FORCES FOUNDATION**  
**(Company number 3745373)**  
**CONSOLIDATED AND COMPANY BALANCE SHEETS**

**AS AT 31 MARCH 2021**

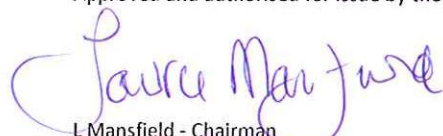
		Group		Company	
	Note	2021 £	2020 £	2021 £	2020 £
<b>Fixed assets</b>					
Tangible fixed assets	11	7,060	13,233	7,060	13,233
Investments	10	1,171,650	1,369,523	1,171,652	1,369,525
Investment in Joint Venture		-	100	-	100
		<u>1,178,710</u>	<u>1,382,856</u>	<u>1,178,712</u>	<u>1,382,858</u>
<b>Current assets</b>					
Stock		29,977	31,301	29,977	31,301
Debtors	12	49,438	52,186	49,438	52,186
Cash at bank and in hand		<u>798,192</u>	<u>239,853</u>	<u>798,192</u>	<u>239,853</u>
		<u>877,607</u>	<u>323,340</u>	<u>877,607</u>	<u>323,340</u>
<b>Creditors: amounts due within one year</b>	13	<u>204,833</u>	<u>93,791</u>	<u>204,835</u>	<u>93,793</u>
<b>Net current assets</b>		<u>672,774</u>	<u>229,549</u>	<u>672,772</u>	<u>229,547</u>
<b>Net assets</b>		<u>1,851,484</u>	<u>1,612,405</u>	<u>1,851,484</u>	<u>1,612,405</u>
<b>Funds</b>					
Unrestricted funds:	14	1,555,924	1,274,407	1,555,924	1,274,407
Restricted funds	14	<u>295,560</u>	<u>337,998</u>	<u>295,560</u>	<u>337,998</u>
<b>Total funds</b>	15	<u>1,851,484</u>	<u>1,612,405</u>	<u>1,851,484</u>	<u>1,612,405</u>

For the year ending 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- 1 The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- 2 The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved and authorised for issue by the trustees on 6/12/21 and signed on their behalf by

  
L Mansfield - Chairman  
Trustee

**BRITISH FORCES FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Cash provided used in operating activities:	16	<u>(91,975)</u>	<u>44,655</u>
<b>Cash flows from Investing activities:</b>			
Purchase of fixed assets		-	(7,606)
Sale of fixed assets		214	-
Disposal of investments		500,100	-
Purchase of Investments		<u>-</u>	<u>(30,000)</u>
Cash provided used in Investment activities:		<u>500,314</u>	<u>(37,606)</u>
<b>Cash flows from financing activities:</b>			
Loan received		<u>150,000</u>	<u>-</u>
<b>Increase/ (Decrease) in cash and cash equivalents in the year</b>		<u>558,339</u>	<u>7,049</u>
<b>Cash and cash equivalents at the beginning of the year</b>		239,853	232,804
<b>Cash and cash equivalents at the end of the year</b>		<u><u>798,192</u></u>	<u><u>239,853</u></u>

**BRITISH FORCES FOUNDATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**1. ACCOUNTING POLICIES**

- a) British Forces Foundation is a company limited by guarantee incorporated and registered in England and Wales. The charity constitutes a Public Benefit Entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP 2015 (FRS 102)), the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in Sterling (£) which is the functional currency of the charitable company.

- b) The accounts consolidate the results of the company and its wholly-owned subsidiary undertaking on a line by line basis. A separate Statement of Financial Activities for the company itself is not presented because the company has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.
- c) Donations, grants and legacies are recognised in full in the statement of financial activities in the year in which they are receivable. When donors specify that donations and grants are for particular restricted purposes which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable. Donated items, assets or services are included at the market value at the time of receipt and are unrestricted unless disclosed otherwise.
- d) All investment income, including deposit interest, is shown on the basis of amounts received and receivable.
- e) All resources expended are accounted for on an accruals basis. Costs are classified under headings that aggregate all similar costs and which can then be related to costs of generating funds, charitable activities and governance costs. Where costs cannot be directly attributed to those expenditure categories they are attributed to management and administration, which in turn is re-allocated to fundraising costs, charitable activities and governance costs. Governance costs are those associated with constitutional and statutory requirements.
- f) Quoted investments are included in the accounts at market value as at 31 March 2021. The unquoted investments are included in the accounts at cost plus attributable accrued interest.
- g) Gains/losses arising on disposal are recognised in the income and expenditure account and credited/charged to the accumulated fund.
- h) Stocks are valued at the lower of cost and net realisable value. Items donated for resale are not included in the financial statements until they are sold.
- i) Depreciation is provided at rates calculated to write down the cost or valuation, less estimated residual value, of each asset over its expected useful life. The depreciation rates in use are as follows:
- |                              |                         |
|------------------------------|-------------------------|
| Sound and lighting equipment | 20% straight line basis |
| Property improvements        | 20% straight line basis |
| Fixtures and fittings        | 25% straight line basis |
| Office equipment             | 25% straight line basis |
| Computer equipment           | 33% straight line basis |
- j) Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.
- k) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.
- l) Designated funds are unrestricted funds set aside by the Trustees for particular purposes.
- m) Restricted funds are those where the donor has specifically restricted the purpose for which they can be used. The balance in the fund represents the amount still remaining for future expenditure.
- n) Debtors are measured at their recoverable amounts.
- o) Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.



**BRITISH FORCES FOUNDATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**1. ACCOUNTING POLICIES (CONTINUED)**

- p) The company makes contributions into one employee's personal pension scheme. The contributions to the scheme are charged to the profit and loss account as they accrue.
- q) Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. All exchange differences are taken to the profit and loss account.
- r) The charity has received support from the UK Government as part of a package of measures introduced to support businesses during the coronavirus pandemic. Government grants are recognised in the financial statements in the period in which they become receivable.

**2. NET INCOME AND ENDOWMENTS**

Income and endowments are derived wholly from within the United Kingdom.

**3. STAFF COSTS**

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	81,541	156,829
Social security costs	4,292	16,388
Other pension costs	11,897	6,782
	<u>97,730</u>	<u>179,999</u>

During the year there were termination payments made which amounted to £10,250 (2020 - £Nil).

The key management personnel of the charity comprise of the trustees and the Chief Executive Officer. The total remuneration of the key management personnel was £58,811 (2020 - £127,009). The key management personnel also received pension contributions totalling £11,465 (2020 - £5,588).

The average number of employees analysed by function was:

	2021 No.	2020 No.
Generating funds	1	1
Furtherance of the charity's objects	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

Trustees are not remunerated. During the year none of the Trustees received reimbursed expenses (2020: £Nil)

**4. TAXATION**

The Foundation is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

**5. INVESTMENT AND OTHER INCOME**

	Unrestricted £	Restricted £	2021 £	2020 £
Bank interest - gross	131	-	131	581
Rents receivable	6,500	-	6,500	7,250
Investment income	49,200	-	49,200	46,570
Covid-19 business support grants	8,000	-	8,000	-
Coronavirus job retention scheme	11,598	-	11,598	290
	<u>75,429</u>	<u>-</u>	<u>75,429</u>	<u>54,691</u>

**BRITISH FORCES FOUNDATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**6. DIRECT COSTS**

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Charitable output expenses	30,559	18,967	49,526	236,255
Share of support costs (note 8)	79,287	64,871	144,158	213,661
	<u>109,846</u>	<u>83,838</u>	<u>193,684</u>	<u>449,916</u>

**7. FUNDRAISING COSTS**

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Fundraising costs	12,356	-	12,356	63,803
Share of support costs (note 8)	48,053	-	48,053	71,221
	<u>60,409</u>	<u>-</u>	<u>60,409</u>	<u>135,024</u>

**8 SUPPORT COSTS**

	2021	2020
	£	£
Bank charges and interest	222	277
Consultancy fees	41,884	29,449
Accountancy	3,600	3,795
Bookkeeping	828	1,428
Depreciation	4,708	4,339
General expenses	5,149	9,018
Insurance	2,028	2,027
Printing, postage and stationery	678	2,680
Rent and rates	14,752	14,953
Repairs and equipment hire	4,467	3,305
Salaries and NIC	97,730	179,999
Subscriptions and donations	4,584	8,433
Telephone and electricity	4,133	8,654
Travel and entertaining	4,724	11,927
Website	288	487
Computer expenses	1,185	1,869
Marketing	-	2,242
Loss on disposal of assets	1,251	-
	<u>192,211</u>	<u>284,882</u>

	2021	2020
	£	£
Allocated to:		
Costs of Charitable Activities (output costs) (note 6) 75%	144,158	213,661
Fundraising costs (input costs) (note 7) 25%	48,053	71,221
	<u>192,211</u>	<u>284,882</u>

**BRITISH FORCES FOUNDATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**9. EXPENDITURE**

	Support Costs £	Other Costs £	Total 2021 £	Total 2020 £
Expenditure on direct costs				
Output expenses	144,158	49,526	193,684	449,916
Expenditure on raising funds				
Fundraising costs	48,053	12,356	60,409	135,024
<b>Total expenditure</b>	<b>192,211</b>	<b>61,882</b>	<b>254,093</b>	<b>584,940</b>

**10. INVESTMENTS**

	Quoted £	Unquoted £	Total £
<b>Group</b>			
Market value			
1 April 2020	1,358,674	10,849	1,369,523
Disposals	(500,000)	-	(500,000)
Reinvestments	49,200	-	49,200
(Loss)/Gain in the year	252,404	525	252,929
Market value			
31 March 2021	1,160,278	11,374	1,171,652
Historical cost			
31 March 2021	384,851	7,000	391,851

**Company**

Investments held by the company also include an additional £2 (2020 - £2) investment in the subsidiary, Forces Events Limited, at cost being the whole of the issued Ordinary share capital. The subsidiary ceased trading on 31 March 2009 and has been dissolved in April 2021.

**BRITISH FORCES FOUNDATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**11. TANGIBLE FIXED ASSETS**  
**Group and Company**

	Sound & lighting equipment £	Property improvements £	Fixtures & fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>						
At 1 April 2020	21,367	5,354	14,732	10,104	17,875	69,432
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	(3,298)	(3,298)
At 31 March 2021	<u>21,367</u>	<u>5,354</u>	<u>14,732</u>	<u>10,104</u>	<u>14,577</u>	<u>66,134</u>
<b>Depreciation</b>						
At 1 April 2020	16,623	5,354	13,326	10,104	10,792	56,199
Charge for the year	1,045	-	412	-	3,251	4,708
Eliminated on disposals	-	-	-	-	(1,833)	(1,833)
At 31 March 2021	<u>17,668</u>	<u>5,354</u>	<u>13,738</u>	<u>10,104</u>	<u>12,210</u>	<u>59,074</u>
<b>Net book value</b>						
At 31 March 2021	<u>3,699</u>	<u>-</u>	<u>994</u>	<u>-</u>	<u>2,367</u>	<u>7,060</u>
At 31 March 2020	<u>4,744</u>	<u>-</u>	<u>1,406</u>	<u>-</u>	<u>7,083</u>	<u>13,233</u>

**12. DEBTORS**

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Other debtors	-	290	-	290
Prepayments and accrued income	<u>49,438</u>	<u>51,896</u>	<u>49,438</u>	<u>51,896</u>
	<u>49,438</u>	<u>52,186</u>	<u>49,438</u>	<u>52,186</u>

**13. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR**

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	30,925	30,856	30,925	30,856
Social security and other taxes	1,567	8,062	1,567	8,062
Accruals and deferred income	18,203	50,685	18,203	50,685
Other creditors	4,138	4,188	4,138	4,188
Amount due to subsidiary	2	-	2	2
Bank loan	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>-</u>
	<u>204,835</u>	<u>93,791</u>	<u>204,835</u>	<u>93,793</u>

**BRITISH FORCES FOUNDATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**14. ANALYSIS OF FUNDS**

	Balance at 1.4.20 £	Incoming resources £	Resources expended £	Transfers between funds £	Balance at 31.3.21 £
<b>Unrestricted funds</b>					
General fund	1,271,407	198,843	82,674	-	1,552,924
Designated tangible asset fund	3,000	-	-	-	3,000
<b>Total unrestricted funds</b>	<b>1,274,407</b>	<b>198,843</b>	<b>82,674</b>	<b>-</b>	<b>1,555,924</b>
<b>Restricted funds</b>					
Panto Bus	-	38,400	(38,400)	-	-
Libor Grant	337,998	-	(42,438)	-	295,560
VOD/ BFF TV	-	3,000	(3,000)	-	-
<b>Total restricted funds</b>	<b>337,998</b>	<b>41,400</b>	<b>(83,838)</b>	<b>-</b>	<b>295,560</b>
<b>Total funds</b>	<b>1,612,405</b>	<b>240,243</b>	<b>(1,164)</b>	<b>-</b>	<b>1,851,484</b>

<b>Panto Bus</b>	The donations were given towards the cost of the Panto Bus entertaining Forces families in the UK.
<b>Libor Grant</b>	The grant was given to support costs towards performing shows for military personnel.
<b>VOD/ BFF TV</b>	The donations were given to help fund the project on BFF TV and Video On Demand

**15. ALLOCATION OF NET ASSETS**

	Unrestricted General fund £	Designated fund £	Restricted fund £	Total £
Tangible assets	7,060	-	-	7,060
Investments	1,171,652	-	-	1,171,652
Net current (liabilities)/assets	374,212	3,000	295,560	672,772
	<b>1,552,924</b>	<b>3,000</b>	<b>295,560</b>	<b>1,851,484</b>

**16. RECONCILIATION OF INCOME/(EXPENDITURE) TO NET CASH FROM OPERATING ACTIVITIES**

	2021 £	2020 £
Net Income/(expenditure) for the year as per SOFA	(13,850)	113,124
Adjustments for:		
Depreciation of tangible fixed assets	4,708	4,339
Decrease/(Increase) in debtors	2,748	(6,908)
(Decrease) in creditors	(38,956)	(24,394)
Non cash investment income	(49,200)	(46,581)
Decrease in stock	1,324	5,075
Loss on disposal of assets	1,251	-
<b>Net cash flow from operating activities</b>	<b>(91,975)</b>	<b>44,655</b>

**BRITISH FORCES FOUNDATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**17. RELATED PARTY TRANSACTIONS**

The Charity paid £12,000 (2020 - £12,000) rent, £1,608 (2020 - £1,738) service charges and £698 (2020 - £Nil) other business supplies to CU2 Limited. CU2 Limited is a company in which M J A Cann is a director and Mrs E Cann, wife of M J A Cann, is a director and sole shareholder.

The Charity paid £3,300 (2020 - £1,807) for fundraising support to Chariadmin Ltd a company in which M J A Cann is a director.

The Charity paid £Nil (2020 - £1,250) to a company of which a Trustee, Laurie Mansfield is a director of. The payment was for Artists fees and was paid at the normal market rate.

**18. MEMBERS GUARANTEE**

The company is incorporated under the Companies Act 1985 and not having a share capital, is limited by guarantee. The guarantee of each member is limited to a maximum of £10 and is for a maximum period of 12 months after ceasing to be a member. The position at the year end concerning members giving a guarantee was as follows:

	2021	2020
Number of members giving a guarantee at the year end	<u>11</u>	<u>10</u>

**19. COMMITMENTS**

The company has an operating lease commitment in respect of its office building of £12,000 per annum (2020 - £12,000) for three years expiring 30 April 2022. The lease may be terminated by either the company or the landlord giving three months' notice.

**BRITISH FORCES FOUNDATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**20. PRIOR YEAR COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**

	Note	Unrestricted £	Restricted £	2020 Total £
<b>INCOME AND ENDOWMENTS FROM:</b>				
Donations and sponsorships		96,634	403,632	500,266
Income from charitable activities				
Fundraising		143,107	-	143,107
Investment and other Income	5	54,691	-	54,691
		<u>294,432</u>	<u>403,632</u>	<u>698,064</u>
<b>TOTAL INCOME AND ENDOWMENTS</b>				
<b>EXPENDITURE</b>				
Expenditure on charitable activities				
Direct costs	6	152,349	297,567	449,916
Expenditure on raising funds				
Fundraising costs	7	135,024	-	135,024
		<u>287,373</u>	<u>297,567</u>	<u>584,940</u>
<b>Total expenditure</b>	9	<u>287,373</u>	<u>297,567</u>	<u>584,940</u>
<b>NET EXPENDITURE</b>		7,059	106,065	113,124
Gain/(loss) on investments	10	<u>(115,809)</u>	-	<u>(115,809)</u>
<b>Net movement in funds</b>		(108,750)	106,065	(2,685)
Fund balances brought forward	14	1,383,157	231,933	1,615,090
		<u>1,274,407</u>	<u>337,998</u>	<u>1,612,405</u>
<b>Fund balance as at 31 March 2020</b>	14	<u>1,274,407</u>	<u>337,998</u>	<u>1,612,405</u>

