

**CHARITY
COMMISSION
COPY**

BRITISH FORCES FOUNDATION

(COMPANY LIMITED BY GUARANTEE)

(REGISTERED CHARITY)

TRUSTEES' REPORT AND UNAUDITED ACCOUNTS

FOR THE YEAR ENDED

31 MARCH 2023

BRITISH FORCES FOUNDATION
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FOR THE YEAR ENDED 31 MARCH 2023

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BRITISH FORCES FOUNDATION

LEGAL AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 MARCH 2023

Status	The organisation is a company limited by guarantee, incorporated on 30 March 1999 and registered as a charity on 15 April 1999.
Company number	3745373
Charity number	1075109
Registered and Principal office	10A High Street Pewsey Wiltshire SN9 5AQ
Chairman	Air Vice Marshal M Wiles CB CBE
Chief Executive (sometimes referred to as 'Director' as a job title but not a director of the company)	M J A Cann
Patron	HRH The former Prince of Wales
President	Mr L Mansfield
Vice-Presidents	Major General Arthur Denaro CBE Admiral Sir Jock Slater GCB LVO DL General The Lord Guthrie GCB LVO OBE
Bankers	The Royal Bank of Scotland Holt's Farnborough Branch Lawrie House Victoria Road Farnborough Hampshire GU14 7NR
Solicitors	Appointed on specific needs basis as and when required
Independent Examiner	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 2023**

The Trustees present their report and the independently examined financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

Legal and administrative information set out on page 1 forms part of this report.

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	30-Mar-99	07-Sep-23
Admiral Sir James Perowne KBE	01-Mar-02	02-Nov-22
Lord Robertson KT GCMG PC	04-Nov-04	
Miss 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 Moir CBE LVO KSG	31-Oct-13	
Air Vice Marshal M Wiles CB CBE Chairman	11-Jun-15	
Brigadier A Thomson MSc MBA FIET C Eng	16-Mar-16	
WO1 Michael Turnbull MA	21-May-20	02-Nov-22
WO1 Michael Stanion	02-Nov-22	
Lieutenant General Phil Jones CB CBE DL	02-Nov-22	
Katharine Pooley	01-Mar-20	

The names of senior executive staff and the independent examiner 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.

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Recruitment, appointment and training of trustees continued

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.

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 take 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.

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 soon. A suitable post has been identified.

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 fundraiser (approximately 2 days per month specialising in Trusts and Outdoor events) 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.

**BRITISH FORCES FOUNDATION
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TRUSTEES' REPORT
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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".

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 and contributes to the community and connectivity of the armed forces. 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, 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 with 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. There has been significant activity in this area during the year.

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 always 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. A notable exception to this has been with the Burma Star Memorial Fund with whom the charity entered into an effective Cooperation Agreement in 2021 which remain extant.

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 70 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 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 intransigence) 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

The impact of covid and the lack of deployments by the Armed Forces has reduced demand for overseas shows. Nonetheless the number of shows and requests has begun to pick up.

Sadly a number of tours to multiple locations around the Middle East, Africa and Eastern Europe during the year were set up and then cancelled at short notice due to Operational changes at home and in destination countries. Nonetheless the charity was keen always to be prepared to go as soon as it is possible.

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ACHIEVEMENTS AND PERFORMANCE continued

Alongside the increased number of shows a particular achievement of the year was another successful trial and further development of BFF TV (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 adapt 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 irony is that the charity is receiving enquiries from other NATO countries and indeed some are using a version of VOD (even on submarines) and yet despite the clear demand amongst the military community the wit to move things forward is conspicuous by its absence.

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

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, 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 acknowledge the website looks tired.

The Trustees are satisfied that the Charity is progressing as intended and are content that the aims of year twenty-three in so far as was possible were achieved. The Charity's website www.bff.org.uk and Facebook 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.

Trustees are particularly pleased with the Cooperation agreement they entered in December 2021 with the Burma Star Memorial Fund (BSMF as mentioned above). This has already been a great success in reducing both charities running costs by sharing resources and fundraising events. The model is simple and effective to great mutual benefit and is worth repeating.

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.

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 held at the year end are holdings in the Armed Forces Common Investment Fund with the BlackRock Group, and Waverton charitable fund. The investments were monitored regularly during the year against a composite index of benchmarks. The quoted investments showed a capital loss during the year of £150,411 (2022 – capital gain £59,247). The investment performance over the period was volatile but satisfactory. Against comparable products the Charity's investments performed very well.

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INVESTMENT POLICY and PERFORMANCE continued

The charity is now investing cash and receiving a respectable return from RBS.

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 but if then appetite for Operational shows does not keep picking up to pre covid levels then a major shift in strategy will be required.

FINANCIAL REVIEW

Donations and sponsorship of £178,920 (2022 - £143,317) were received in the year. Net assets at the balance sheet date amounted to £1,830,872 (2022 - £2,053,279).

The Trustees are satisfied with the financial position of the Charity at 31 March 2023 and consider the charity a going concern.

The Trustees have ensured the Charity has fulfilled its legal obligation to PAYE employees by providing for an opted-out Pension. The pension scheme through NEST has now been disbanded. One employee had chosen to opt out of the NEST plan prior to it being disbanded.

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 £361,288 (2022 - £384,232).

PLANS FOR FUTURE PERIODS

During the 25th year of operation the intention of 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 2023**

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.

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. Its potential expands all the time but the charity cannot help being disappointed at the lack of understanding and engagement with the MOD.

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 2024.

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 2023/24.

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.

Trustees would like to emphasise that the significance of VOD should not be underestimated.

2024 will also see a comprehensive and forensic review of all the charities activities and produce a revision of the 2017 Strategy.

**BRITISH FORCES FOUNDATION
(COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

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 of the surplus or deficit 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 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 25 November 2023 and signed on their behalf by



Air Vice Marshal M Wiles CB CBE
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 for the year ended 31 March 2023, which comprise the Statement of Financial Activities, the 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

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in Section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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
STATEMENT OF FINANCIAL ACTIVITIES
(INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted £	Restricted £	2023 Total £	2022 Total £
INCOME AND ENDOWMENTS FROM:					
Donations and sponsorships		118,918	60,002	178,920	143,317
Income from charitable activities					
Fundraising		109,931	40,000	149,931	316,178
Investment and other income	5	73,047	-	73,047	64,569
		<u>301,896</u>	<u>100,002</u>	<u>401,898</u>	<u>524,064</u>
TOTAL INCOME AND ENDOWMENTS					
EXPENDITURE ON:					
Charitable activities					
Direct costs	6	54,986	240,840	295,826	237,159
Raising funds					
Fundraising costs	7	129,685	40,000	169,685	144,357
		<u>184,671</u>	<u>280,840</u>	<u>465,511</u>	<u>381,516</u>
Total expenditure	9	<u>184,671</u>	<u>280,840</u>	<u>465,511</u>	<u>381,516</u>
NET (EXPENDITURE)/INCOME		117,225	(180,838)	(63,613)	142,548
Gain/(loss) on investments - unrealised	10	(150,411)	-	(150,411)	59,247
Gain/(loss) on investments - realised	10	<u>(8,383)</u>	<u>-</u>	<u>(8,383)</u>	<u>-</u>
Net movement in funds		<u>(41,569)</u>	<u>(180,838)</u>	<u>(222,407)</u>	<u>201,795</u>
Fund balances brought forward	14	<u>1,757,719</u>	<u>295,560</u>	<u>2,053,279</u>	<u>1,851,484</u>
Fund balances as at 31 March 2023	14	<u><u>1,716,150</u></u>	<u><u>114,722</u></u>	<u><u>1,830,872</u></u>	<u><u>2,053,279</u></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)

BALANCE SHEET

AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	11	2,332	4,260
Investments	10	1,349,531	1,383,297
		1,351,863	1,387,557
Current assets			
Stock		29,216	29,474
Debtors	12	17,742	8,511
Cash at bank and in hand		467,996	661,678
		514,954	699,663
Creditors: amounts due within one year	13	35,945	33,941
Net current assets		479,009	665,722
Net assets		1,830,872	2,053,279
Funds			
Unrestricted funds:	14	1,716,150	1,757,719
Restricted funds	14	114,722	295,560
Total funds	15	1,830,872	2,053,279

For the year ending 31 March 2023 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 25 November 2023 and signed on their behalf by



Air Vice Marshal M Wiles CB CBE - Chairman
Trustee

BRITISH FORCES FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Cash provided used in operating activities:	16	<u>(124,254)</u>	<u>114,450</u>
Cash flows from investing activities:			
Purchase of fixed assets		-	(964)
Disposal of investments		170,572	-
Purchase of investments		<u>(240,000)</u>	<u>(100,000)</u>
Cash provided used in investment activities:		<u>(69,428)</u>	<u>(100,964)</u>
Cash flows from financing activities:			
Loan repayments		<u>-</u>	<u>(150,000)</u>
		<u>-</u>	<u>(150,000)</u>
Increase/ (Decrease) in cash and cash equivalents in the year		<u>(193,682)</u>	<u>(136,514)</u>
Cash and cash equivalents at the beginning of the year		661,678	798,192
Cash and cash equivalents at the end of the year		<u><u>467,996</u></u>	<u><u>661,678</u></u>

BRITISH FORCES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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) 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.
- c) All investment income, including deposit interest, is shown on the basis of amounts received and receivable.
- d) 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.
- e) Quoted investments are included in the accounts at market value as at 31 March 2023. The unquoted investments are included in the accounts at cost plus attributable accrued interest.
- f) Gains/losses arising on disposal are recognised in the income and expenditure account and credited/charged to the accumulated fund.
- g) 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.
- h) 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 |
- i) Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.
- j) Unrestricted funds are donations and other incoming resourced receivable or generated for the objects of the charity without further specified purpose and are available as general funds.
- k) Designated funds are unrestricted funds set aside by the Trustees for particular purposes.
- l) 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.
- m) Debtors are measured at their recoverable amounts.
- n) 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (CONTINUED)

- o) 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.
- p) 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.

2. NET INCOME AND ENDOWMENTS

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

3. STAFF COSTS

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	103,806	102,563
Social security costs	8,760	8,933
Other pension costs	25,283	21,783
	<u>137,849</u>	<u>133,279</u>

The key management personnel of the charity comprise the trustees and the Chief Executive Officer. The total remuneration of the key management personnel was £103,806 (2022 - £102,563). The key management personnel also received pension contributions totalling £25,283 (2022 - £21,783).

The average number of employees analysed by function was:

	2023 No.	2022 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 three trustees received reimbursed expenses of £603 (2022: £63)

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 £	2023 £	2022 £
Bank interest - gross	1,947	-	1,947	69
Rents receivable	15,500	-	15,500	12,100
Investment income	55,600	-	55,600	52,400
	<u>73,047</u>	<u>-</u>	<u>73,047</u>	<u>64,569</u>

BRITISH FORCES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. DIRECT COSTS

	Unrestricted £	Restricted £	2023 £	2022 £
Charitable output expenses	28,345	68,571	96,916	42,932
Share of support costs (note 8)	26,641	172,269	198,910	194,227
	<u>54,986</u>	<u>240,840</u>	<u>295,826</u>	<u>237,159</u>

7. FUNDRAISING COSTS

	Unrestricted £	Restricted £	2023 £	2022 £
Fundraising costs	63,382	40,000	103,382	79,615
Share of support costs (note 8)	66,303	-	66,303	64,742
	<u>129,685</u>	<u>40,000</u>	<u>169,685</u>	<u>144,357</u>

8 SUPPORT COSTS

	2023 £	2022 £
Bank charges and interest	80	955
Consultancy fees	60,687	50,666
Accountancy	3,960	3,780
Bookkeeping	848	1,248
Depreciation	1,928	3,764
General expenses	2,537	3,467
Insurance	1,942	2,005
Printing, postage and stationery	874	415
Rent and rates	15,267	14,935
Repairs and equipment hire	2,071	2,489
Salaries and NIC	137,849	150,169
Subscriptions and donations	3,769	855
Telephone and electricity	8,337	5,756
Travel and entertaining	21,544	15,303
Computer expenses	3,243	2,820
Marketing	277	342
	<u>265,213</u>	<u>258,969</u>

	2023 £	2022 £
Allocated to:		
Costs of Charitable Activities (output costs) (note 6) 75%	198,910	194,227
Fundraising costs (input costs) (note 7) 25%	66,303	64,742
	<u>265,213</u>	<u>258,969</u>

BRITISH FORCES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. EXPENDITURE

	Support Costs £	Other Costs £	Total 2023 £	Total 2022 £
Expenditure on direct costs				
Output expenses	198,910	96,916	295,826	237,159
Expenditure on raising funds				
Fundraising costs	66,303	103,382	169,685	144,357
Total expenditure	265,213	200,298	465,511	381,516

10. INVESTMENTS

	Quoted £	Unquoted £	Total £
Market value			
1 April 2022	1,371,681	11,616	1,383,297
Additions	240,000	-	240,000
Disposals	(178,955)	-	(178,955)
Reinvestments	55,600	-	55,600
(Loss)/Gain in the year	(150,731)	320	(150,411)
Market value			
31 March 2023	1,337,595	11,936	1,349,531
Historical cost			
31 March 2023	640,071	7,000	647,071

BRITISH FORCES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. TANGIBLE FIXED ASSETS

	Sound & lighting equipment £	Property improvements £	Fixtures & fittings £	Office equipment £	Computer equipment £	Total £
Cost						
At 1 April 2022	21,367	5,354	14,732	10,514	15,131	67,098
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 March 2023	<u>21,367</u>	<u>5,354</u>	<u>14,732</u>	<u>10,514</u>	<u>15,131</u>	<u>67,098</u>
Depreciation						
At 1 April 2022	18,713	5,354	14,149	10,121	14,501	62,838
Charge for the year	1,045	-	412	103	368	1,928
Eliminated on disposals	-	-	-	-	-	-
At 31 March 2023	<u>19,758</u>	<u>5,354</u>	<u>14,561</u>	<u>10,224</u>	<u>14,869</u>	<u>64,766</u>
Net book value						
At 31 March 2023	<u>1,609</u>	<u>-</u>	<u>171</u>	<u>290</u>	<u>262</u>	<u>2,332</u>
At 31 March 2022	<u>2,654</u>	<u>-</u>	<u>583</u>	<u>393</u>	<u>630</u>	<u>4,260</u>

12. DEBTORS

	2023 £	2022 £
Trade debtors	88	1,960
Prepayments and accrued income	17,654	6,551
	<u>17,742</u>	<u>8,511</u>

13. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	13,144	3,179
Social security and other taxes	3,734	3,946
Accruals and deferred income	17,291	21,999
Other creditors	1,776	4,817
	<u>35,945</u>	<u>33,941</u>

BRITISH FORCES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14. ANALYSIS OF FUNDS

	Balance at 1.4.22 £	Incoming resources £	Resources expended	Balance at 31.3.23 £
Unrestricted funds				
General fund	1,754,719	301,896	(343,465)	1,713,150
Designated tangible asset fund	3,000	-	-	3,000
Total unrestricted funds	1,757,719	301,896	(343,465)	1,716,150
Restricted funds				
Panto Bus	-	15,200	(15,200)	-
Libor Grant	295,560	-	(180,838)	114,722
VOD/BFF TV	-	20,000	(20,000)	-
Windsor Cricket	-	40,000	(40,000)	-
Royal Lancers	-	13,000	(13,000)	-
Polo 150	-	11,802	(11,802)	-
Total restricted funds	295,560	100,002	(280,840)	114,722
Total funds	2,053,279	£401,898	(624,305)	1,830,872
Panto Bus	The donations were given towards the cost of the Panto Bus entertaining Forces families in the UK.			
Libor Grant	The grant was given to support costs towards performing shows for military personnel.			
VOD/BFF TV	A digital project to provide streaming and VOD services to the frontline.			
Windsor Cricket	To hold a cricket match at Windsor Castle in July 2022.			
Royal Lancers	To provide entertainment to the Royal Lancers in Catterick.			
Polo 150	To support specific fundraising events.			

15. ALLOCATION OF NET ASSETS

	Unrestricted		Restricted	Total
	General fund	Designated fund	fund	
	£	£	£	£
Tangible assets	2,332	-	-	2,332
Investments	1,349,531	-	-	1,349,531
Net current (liabilities)/assets	361,287	3,000	114,722	479,009
	1,713,150	3,000	114,722	1,830,872

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

	2023 £	2022 £
Net income/(expenditure) for the year as per SOFA	(63,613)	142,548
Adjustments for:		
Depreciation of tangible fixed assets	1,928	3,764
(Increase)/Decrease in debtors	(9,231)	40,927
Increase/ (Decrease) in creditors	2,004	(20,892)
Non cash investment income	(55,600)	(52,400)
Decrease in stock	258	503
Net cash flow from operating activities	(124,254)	114,450

BRITISH FORCES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. RELATED PARTY TRANSACTIONS

The Charity paid £14,113 (2022 - £13,736) rent and service charges and £7,200 (2022 - £1,200) 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. At the year end there was an amount outstanding of £1,250 (2022 - £2,333).

The Charity paid £Nil (2022 - £6,200) for fundraising support to Chariadmin Ltd a company in which M J A Cann is a director.

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:

	2023	2022
Number of members giving a guarantee at the year end	<u>11</u>	<u>11</u>

19. COMMITMENTS

The company has an operating lease commitment in respect of its office building of £1,168 per month (2022 - £1,134), the lease is on a rolling basis and the lease may be terminated by either the company or the landlord giving three months' notice.

BRITISH FORCES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

20. PRIOR YEAR COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted £	Restricted £	2022 Total £
INCOME AND ENDOWMENTS FROM:				
Donations and sponsorships		122,608	20,709	143,317
Income from charitable activities				
Fundraising		316,178	-	316,178
Investment and other income	5	64,569	-	64,569
		<u> </u>	<u> </u>	<u> </u>
TOTAL INCOME AND ENDOWMENTS		<u>503,355</u>	<u>20,709</u>	<u>524,064</u>
EXPENDITURE				
Expenditure on charitable activities				
Direct costs	6	216,450	20,709	237,159
Expenditure on raising funds				
Fundraising costs	7	144,357	-	144,357
		<u> </u>	<u> </u>	<u> </u>
Total expenditure	9	<u>360,807</u>	<u>20,709</u>	<u>381,516</u>
NET EXPENDITURE		142,548	-	142,548
Gain/(loss) on investments	10	<u>59,247</u>	<u>-</u>	<u>59,247</u>
Net movement in funds		201,795	-	201,795
Fund balances brought forward	14	<u>1,555,924</u>	<u>295,560</u>	<u>1,851,484</u>
		<u> </u>	<u> </u>	<u> </u>
Fund balance as at 31 March 2022	14	<u>1,757,719</u>	<u>295,560</u>	<u>2,053,279</u>