

Fire Fighters Charity

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

31 March 2021

Company Registration Number: 4480058

Charity Registration Number: 1093387

Scottish Charity Registration Number: SC040096

Fire Fighters Charity

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Fire Fighters Charity

LEGAL AND ADMINISTRATIVE INFORMATION

PATRON

Her Majesty the Queen

TRUSTEES:

Peter Davies, Chair
John Baines, Deputy Chair
Paul Fuller, Chair (to 07 June 2021)
Andrew Lynch, Chair (resigned 18 November 2020)
Andrew Best
Graham Floyd (appointed 18 November 2020)
Neil Gibbins
Robert Andrew Hickmott
Christopher Hirst (appointed 28 June 2021)
Jane Nicklin (resigned 18 November 2020)
Ruth Powell (appointed 18 November 2020,
resigned 10 February 2021)
Simon Routh-Jones
Steve Tolan (appointed 18 November 2020)
George Wood

Fire Fighters Charity is a company limited by guarantee.

Registered in England Number 4480058
Charity Registration No 1093387
Scottish Charity Registration No SC040096

STRATEGIC LEADERSHIP TEAM:

Chief Executive

Jill Tolfrey

Finance Director

Martin Smith

Director of Organisational Development & Corporate Governance

Christine Goonan

Director of Beneficiary Services

Sharon Bailey

Director of Fundraising & Engagement

Rachel Case (employed 18 August 2020,
resigned 17 February 2021)

Director of Engagement & Fundraising

Ruth Powell (employed 08 March 2021)

Company Secretary

Christine Goonan

HEADQUARTERS AND REGISTERED OFFICE:

FIRE FIGHTERS CHARITY
Belvedere, Basing View
Basingstoke, Hampshire, RG21 4HG
Tel: 01256 366566
Fax: 01256 366599
Web: www.firefighterscharity.org.uk

RESIDENTIAL CENTRES:

Ronnie Green Wing, Marine Court, Fitzalan Road,
Littlehampton, West Sussex, BN17 5NF

Jubilee House, Eamont Park, Eamont Bridge,
Penrith, Cumbria, CA10 2BN

Harcombe House, Chudleigh,
Devon, TQ13 0DG

RETIREMENT HOMES:

Marine Court Flats, Fitzalan Road,
Littlehampton, West Sussex, BN17 5NF

Eamont Park Retirement Homes, Eamont Bridge,
Penrith, Cumbria, CA10 2BN

AUDITOR:

James Cowper Kreston, 2 Communications Road
Greenham Business Park, Greenham,
Newbury, RG19 6AB

INVESTMENT MANAGERS:

Newton Investment Management Limited,
160 Queen Victoria Street, London, EC4V 4LA

BANKERS:

Barclays Bank PLC, 4th Floor, Apex Plaza,
Forbury Road, Reading, RG1 1AX

CUSTODIANS:

Bank of New York, 1 Canada Square, London,
E14 5AL

Fire Fighters Charity

TRUSTEES' REPORT

The Trustees are pleased to submit their Annual Report and audited financial statements for the year ended 31 March 2021.

Note: The Trustees are also the registered Directors of the charitable company.

Structure and Governance

Legal and Administrative Information

Legal and administrative contact information is given on page 2.

Legal Status

Fire Fighters Charity (known as “the Fire Fighters Charity”) is a company limited by guarantee and a registered Charity, incorporated in England. The guarantee requires each member to contribute an amount not exceeding £1 in the event of the Charity being wound up. The Charity is governed by its Articles of Association dated 8 November 2018.

Charitable Aims, Public Benefit and Provision of Services

The Trustees have carefully considered the Aims of the Charity and how it measures up to the Public Benefit test. The Charity provides a range of services to the Fire Services Community and the Trustees are satisfied that there are identifiable benefits that meet the Public Benefit Summary Guidance from the Charity Commission.

The Fire Fighters Charity is a national Charity providing assistance to serving and retired members of the fire and rescue service community, including eligible dependants. The Charity works to enhance quality of life and make a positive difference to the lives of beneficiaries.

The Charity supports its beneficiaries through digital, online, telephone, community based and residential services. Support is personalised to meet the beneficiary's unique mental health, physical health and social needs and is accessed through a confidential helpline on a self-referral basis. Once beneficiaries (or their advocates) have contacted the Charity practitioners will take the time to understand their needs and explore with them what support and solutions may be appropriate to address their needs.

Trustee Board defined criteria are in place for all the Charity's beneficiary services to ensure there is equity in access to the provision of services and charitable funds are used where there is an identified need. The Charity's services are articulated in a Board approved service delivery document and all service delivery is underpinned by a Clinical and Social Care Governance framework ensuring continuous improvement and high standards of care are maintained. Systems and processes underpin the wider clinical and social care governance framework to ensure quality in service provision.

Whilst a nominal charge or 'cost recovery' may be applicable for some aspects of service delivery, for the majority of support provided by the Charity there is no charge. This enables access to services for all beneficiaries, irrespective of financial circumstances. Financial support to access the mainland for residential services can be provided to beneficiaries who reside on the UK islands.

Trustees receive data and research, against which the effectiveness of service provision can be measured (and to identify where future service development may be required).

Digital/Online/Telephone Support

The Charity now provides digital support using Apps and a remote consultation platform that allows confidential consultation and the provision of physiotherapy and exercise therapy in support of primarily

physical problems. Alongside this the Charity provides online and telephone counselling for those beneficiaries needing mental health support.

Residential Services

The Charity has three residential centres which offer a range of activities and programmes of support led by a multi professional team which includes Chartered Physiotherapists, Exercise Therapists and Psychological Therapists. Residential support is available for beneficiaries following injury or illness, for those with poor mental health, and those who present with long term and degenerative conditions. Facilities within each Centre include a gymnasium / fitness room, leisure pool and hydrotherapy pool. Residential stays are short term and on average beneficiaries spend 4-7 days at a Centre, however there is some flexibility in the length of a stay depending on individual need.

Underpinned by a philosophy of recovery, support is tailored to meet the needs of the individual with the multi professional team working in partnership with beneficiaries to identify solutions to meet their mental health, physical health, and social wellbeing needs. Beneficiaries may engage in different levels of activity, ranging from a residential stay that focuses on rest and relaxation to participation in a programme of structured activity. Health and wellness coaching is embedded within the support provided at the Centres, providing beneficiaries with up-to-date, evidence based information to enable them to make informed choices around their wellbeing. Residential support may be 'front-ended' with digital support which may also be in place to support sustained change following a residential stay.

Admission criteria support decision making regarding access to the most appropriate support. All support provided by the multi professional team is evidence based and adheres to best practice.

Nursing services are available at Jubilee House for beneficiaries with more complex needs who may require nursing or personal care. The Charity's nursing services are regulated by the Care Quality Commission and delivered by a team of Registered Nurses and Clinical Assistants. A Nursing Services Lead (Registered Manager) oversees the delivery of this service.

The Charity also offers structured family support programmes at Harcombe House at specific times during the year (school holidays). These programmes support the family unit to manage challenges they are facing in life and provide families with the opportunity to relax, enjoy quality family time and meet other families who experience similar challenges. A range of appropriate activities is also available as part of these programmes, seeking to encourage greater social interaction, communication, increased confidence and improve wellbeing.

Community Based Support

The Charity recognises that some beneficiaries may require support at home or when accessing services in their local communities. A small team of Welfare Caseworkers offer confidential, impartial advice and information on a wide range of issues that affect and impact upon everyday life. The team will carry out face to face and telephone assessments to identify solutions to meet individual need. Home visits are carried out where required by Welfare Caseworkers or approved volunteers.

Needs are assessed within a structured framework and against financial criteria. Statutory entitlements are fully considered and match funding opportunities with other organisations explored. Solutions can include the provision of equipment, assistance with home adaptations, or financial solutions to relieve crisis such as food poverty. Solutions provided through the Welfare Service are largely short term; long term support is only provided in exceptional circumstances and is subject to annual review. Where appropriate, beneficiaries are signposted on to external organisations.

Where appropriate health and wellbeing support can be offered remotely. This support is personalised to meet an individual's need and may include telephone advice or consultation through video conferencing, signposting, or support to access local community groups or health / social care services. The Charity also runs 'Living Well Groups'. These volunteer delivered groups focus on providing a longer term and sustainable way of keeping in touch post retirement.

Support Provided Directly to Fire and Rescue Services

The Charity also provides wellness and behaviour change coaching direct to members of the UK Fire and Rescue Services (UKFRS), through both digital and face to face delivery, supporting members of the workforce to engage in healthy behaviours to support mental, physical, and social health and wellbeing.

Trustee Recruitment, Appointment and Training

The Charity advertises the role of Trustee on a national basis with Trustees appointed in line with the Articles of Association, role description and person specification. There are Board approved procedures for the recruitment, selection and induction of Trustees. The process of appointment of a new Trustee includes reviewing our skills audit to determine skills gaps within the Board of Trustees which informs the skills to be recruited, advertising the vacancy, issuing information and application documents, ascertaining a shortlist of applicants by using criteria based on the role requirements and interview by a panel including either the Chair or the Deputy Chair of the Board of Trustees, one other Trustee and two Company Members. The recruitment and selection procedure are regularly reviewed to enhance transparency and consistency, to meet legal requirements, and to ensure effective assessment of the skills required. New Trustees are given an induction programme. Where a vacancy occurs outside of the annual recruitment process, Trustees may appoint to the vacancy until the next Annual General Meeting. Ongoing training of Trustees is determined by the Board and individual Trustee needs assessments.

All Trustees give their time voluntarily and receive no financial benefits from the Charity. Any expenses reclaimed are in line with Board approved policies and are set out in note 7 to the accounts.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of the Fire Fighters Charity for the purposes of company law) are responsible for preparing the Trustees' 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are

also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of Information to the Auditor

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as a Trustee to make him or herself aware of any relevant audit information and to establish that it has been communicated to the auditor.

Charity and Organisational Structure

Fire Fighters Charity is a company limited by guarantee and is a charity registered in England, Wales, and Scotland. We are governed by our Articles of Association which were last reviewed in 2018. The Articles permit up to 48 Company Members to be appointed from those who have a direct association with the fire services community. Trustees are also Company Members and are in addition to the 48 Company Members appointed from the fire services community. Our Company Members elect our Board of Trustees at our Annual General Meeting. Our Trustees are also the legal directors of the company.

Our Trustee Board consists of between 8 and 12 individuals, the majority of whom have a direct association with the fire services community. One quarter retire at each AGM and are eligible for re-election until they have served a maximum of 8 years, in all but exceptional cases.

The Board of Trustees met 4 times for scheduled meetings in 2020-21. In addition, to support effective governance and our work, 3 Board sub committees, with the remit of Beneficiary Services, Finance and Audit, and Staff and Governance, operated during the year within a documented framework which includes where a devolved decision can be made. A Company Member participated in 2 of the Board sub committees.

The Board of Trustees has control over the Charity and its property and funds. It directs the Charity's operations and ensures compliance with our Articles of Association. Trustees agree and regularly review plans for achieving the Charity's aims and the finances needed to support them.

Trustees appoint a Chief Executive who has full authority for the implementation of approved strategic plans and the daily running of the Charity. The daily operations are run with four Directors, responsible for Finance, Engagement & Fundraising, Beneficiary Services and Organisational Development and Corporate Governance.

The Charity wholly owns two subsidiary companies; Fire Fighters Trading Limited - which provides trading and commercial services - and FSNBF Limited, a dormant company. The accounts of Fire Fighters Trading Limited are consolidated with the Charity within the Group financial statements.

An annual pay review is conducted for all employees that takes into account inflation, external benchmarking data and affordability. The results of the review are considered by the Staff and Governance Committee and a recommendation made to the Board of Trustees.

The Chief Executive's salary is decided by the Trustee Board prior to a vacancy being advertised and thereafter awarded any increase given to all employees. In addition, the salary is reviewed annually by the Chair of the Trustee Board. A decision to increase the Chief Executive's salary, other than an increase awarded to all employees, must be recommended by the Chair and then approved by the Staff and Governance sub-committee, in order for the increase to be implemented. Any changes to the management structure at the level reporting directly to the Chief Executive requires the consideration and approval of the Staff and Governance sub-committee.

Charity Staff

The Trustees place on record their grateful thanks to all the staff of the Charity. In particular, the Trustees wish to thank them for their devotion to their roles that ultimately exist to assist beneficiaries, and for their understanding as the Charity responded to the challenges of the Covid 19 pandemic.

Volunteers

The Charity's activities are supported by a large number of willing and enthusiastic volunteers who do so much, often behind the scenes, to help the Charity and its beneficiaries. While there is no mechanism available to formally calculate the value of their contribution it is undoubtedly of great value to the Charity. The Charity's Trustees wish to record their gratitude and admiration for this effort, most especially their ongoing commitment and support during the Covid 19 pandemic.

Strategic Report

Activities and Performance

Objectives

The Charity's primary role continues to be support for those in need in the fire service community. This includes service personnel, former service personnel, works firefighters, former works firefighters, volunteers in a Fire and Rescue service, current and former Charity employees, personnel in Fire Services Youth Schemes and any dependant of any of these categories (with the exception of volunteers in a Fire and Rescue service).

Within the Articles of Association, the Trustees are given the powers to deposit or invest the monies of the Charity not immediately required for its operations, in any manner as may be thought fit. The Trustees may also delegate the management of investments to a financial expert.

At the Fire Fighters Charity, our vision is to be known as the UK fire service community's go to provider of mental, physical, and social health support. Recognised for our caring, professional, and proactive approaches, we will deliver proven interventions through innovative means. Blending face-to-face expertise with digital, community and workplace based services, we will help the entire fire service community to live more healthily and seek to deliver personalised support to thousands and reach every corner of the UK.

Our strategic plan for 2020-21 to 2024-25 includes four portfolios of work, each of which contain a number of projects that will shape and define the way we work and operate over the years to come. The objectives of these portfolios and projects are focused on these two core principles:

To expand our reach: We should be a charity for every member of the fire services community, regardless of where they live or the circumstances in which they find themselves. The support we offer should therefore be accessible to all, so this plan sets out how we will remove barriers and provide services that can include all members of our community.

To deliver more health and wellbeing services to more people: Today, we support around 5,000 people a year, but we want to reach many more. Through investment in innovative new digital technologies; the development of community-based initiatives; the dissemination of health and wellbeing content and resources; close partnership working with fire and rescue services and organisations which complement our work; and major campaigns to raise awareness of who we are, what we do and how we can help, we are confident that we can transform our Charity into the nationwide provider of health and wellbeing support to the fire services community.

Inform and Prevent

Through the Inform and Prevent Portfolio and its associated projects we will inform our beneficiaries about health matters, equipping them with the skills, knowledge and confidence to maintain and improve their mental, physical and social health and wellbeing. By providing timely, relevant information for our beneficiaries we will help prevent the impact of many common health risks and conditions.

By 2025 we will

- be measuring how beneficiaries have engaged with the information and resources we have provided and be able to evidence how this has empowered them to make positive changes in their health behaviours.
- see the fire and rescue services regularly using us as a provider to support and deliver positive health and wellbeing messages and activities to engaged personnel.
- be a research-led organisation with our service delivery influenced and evidenced by research findings.

Respond and Recover

Through the Respond and Recover Portfolio and its associated projects we will utilise a blend of digital, community and residential services to more effectively respond to beneficiaries who reach out for support. Earlier and easier access to expert help will provide faster outcomes for beneficiaries to recover and continued support will encourage sustained health and wellbeing.

By 2025 we will

- be delivering high quality digital, community and residential services that are timely, responsive and tailored to meet beneficiary need.
- be able to evidence how our digital, community and residential services have improved recovery, enhanced lives and empowered beneficiaries to make positive changes in their health behaviours.

Engage and Grow

Through the Engage and Grow Portfolio and its associated projects we will engage and build stronger bonds with a growing number of beneficiaries and supporters, increase awareness amongst the fire services community and invest in lifelong associations. We will diversify and grow our income to provide the additional funds necessary to achieve our plan.

By 2025 we will

- see increased service usage, directly attributable to higher levels of awareness and engagement with the workforce, with those who are retired and with families in our community.
- know that our supporters and beneficiaries have become more engaged year on year, through evidence including an annual Supporter Engagement Survey.
- have inspired funders with our new model of health and wellbeing provision resulting in increasing levels of income annually, from a significantly expanded supporter base, new activity and high value, multi-year partnerships.

Enhance, Enable and Empower

Through the Enhance, Enable and Empower Portfolio and its associated projects we will develop our culture, enhance our processes, technology and facilities, and further enable and empower our people to drive us forward.

By 2025 we will

- be an inclusive, connected and engaged organisation where positive values and behaviours are demonstrated.
- have the people, skills and processes to successfully deliver our strategy.
- have developed our facilities to support our strategic aspirations.
- have the systems and tools we need to enable collaboration, insight and data-driven decision making.

Measuring Success

2020-21 was a challenging year for the Charity and its beneficiaries, the impact of the coronavirus global pandemic (Covid 19) affected everybody, changing how people lived and worked. In what was the first year of our new five-year strategic plan, Covid 19 further highlighted our need to adapt, validating the aims of the plan. The need to be able to reach more of our beneficiaries and in more ways had become critical. The most direct implications for the Charity and its employees were having to close our centres for most of the year due to Government guidance or restrictions, employees having to adapt to working from home or being placed on furlough leave where that was not possible, and the cancellation of fundraising events and face to face engagement activities. The Charity had been cut-off from its beneficiaries at a time many would need it more.

Despite these challenges the Charity and its employees adapted incredibly well and achieved great success in supporting beneficiaries. This success was supported by some vital progress made across all the portfolios of the new strategic plan, the outcomes of which are outlined below.

Inform and Prevent

Target Outcome	Actual Outcome
Our first campaign has gone live and we have developed and launched a range of multimedia content to support our campaign, tailoring our messages to the needs of each of our beneficiary groups. Our campaign analytics also indicate that our beneficiaries have positively engaged with the campaign.	The first Health Awareness Programme (Living Well Healthy Lifestyles) successfully went live in Q4 with content being delivered through social media, website, and email. There was evidence of positive engagement with 3,706 unique page views.
We have developed a range of health content which has been launched via our online community. Analysis of activity levels, content feedback and online community surveys have also helped inform us in regard to our beneficiaries' needs, as well as the requirements of our key audiences in regard to successful engagement.	The launch of the online community was delayed and subsequently rescheduled for year two. Despite this, nearly 50 items of Health and Wellbeing content were developed for the community with several items shared in the meantime on social media and the website.
We have developed a programme of content covering four wellbeing areas and are working with at least four fire and rescue services to provide knowledge and health coaching to their workforces, through either digital or face to face delivery.	In 2020-21 we delivered sessions to 6 fire and rescue services with a further 5 in the exploratory stage. Due to Covid 19 these sessions were all delivered digitally.

A research skills audit for employees has been completed and, informed by this data, a training and development plan has been developed and implemented. We have a 'live' research strategy with clearly defined objectives to underpin evidence based decision making around every aspect of our service design and delivery.	The skills audit was completed with the results informing the future roll out of research skills training. The research strategy was developed, and this will be implemented with the support of the newly established Research and Development Group. Training programme will go live in September 2021.
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Respond and Recover

Target Outcome	Actual Outcome
Our new case management system has been successfully implemented enhancing collaborative working.	Our new case management platform was successfully implemented and ready for use for the start of year two. This system will be developed further throughout the plan.
We can evidence that, thanks to our proactive work with fire and rescue services and the wider community, we are seeing growing numbers of beneficiaries reaching out to the Charity for support.	Due to Covid 19 our centres were closed for almost the whole year, but despite this, our new services delivery methods supported 3,226 new cases in 2020-21, only 25% less than 2019-20. In addition to this number, many other beneficiaries benefitted from digital living well group or online health content.
We have developed our digital provision, increasing the number of one to one consultations and expanding our services to include digital groups. Outcome measures indicate a positive impact and beneficiary feedback shows consistently high levels of satisfaction.	The development of digital consultations was essential to the success of the Charity during Covid 19, with over 3,000 consultations delivered in 2020-21; this was a significant uplift on the 74 consultations delivered in 2019-20.
We are successfully blending digital innovation with residential support for those beneficiaries who need it.	Due to Covid 19 our residential centres were only open for 6 weeks during 2020-21 and so we were unable to achieve this outcome. This will now be a target for year two.

Engage and Grow

Target Outcome	Actual Outcome
We have built and launched phase one of our new online community on the web and via mobile app, and a small number of beneficiaries and supporters have started to use it to create their own personal connection with us. We will have developed a clear roadmap for further development.	The scheduled launch of the community was delayed to deliver a more cost-effective implementation of this bespoke capability. The project will now commence the testing and piloting phases in Q1 of 2021-22 with a go-live date for the new site and app in Q2.

We have changed our engagement with our beneficiaries across the fire services community, creating digital approaches to ensure we continue to provide much needed services.	Several new digital solutions were developed in the year, including QR codes and additional mobile payment methods, with new digital donation campaigns being tested on multiple channels. This increased capability and learning will inform future engagement and campaigns. We established an online fundraising programme The Fire Family Challenge which successfully engaged fundraisers of all ages and abilities in innovative activities within the restrictions of lockdown.
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Enhance, Enable and Empower

Target Outcome	Actual Outcome
An employee engagement survey has been undertaken and key performance indicators have been established. The framework to develop our culture and values has been determined and our people are participating in the project.	While the framework to develop our culture and values has been determined, an engagement survey was not undertaken due to many employees not being at work due to Covid 19. This has also meant that the project could not commence, it has been delayed until employees have returned to work.
The skills required for each role have been established and a skills audit undertaken with each employee in four areas of the organisation; plans to develop skills are in place and training has commenced.	Despite the challenges of employees being away from work during Covid 19, the skills required in 4 areas have been developed with training scheduled for the next year.
The governance framework, methodology and tools for process improvement have been agreed. The documenting of processes and owners is underway. A project team is in place and are reviewing a core process.	The governance framework, methodology and tools for process improvement have been agreed and ten process improvement projects were initiated.
We have migrated to a new IT Infrastructure, which is effectively supporting the latest core business software. This will have supported collaboration within project teams and the foundations of new reporting solutions.	The new IT infrastructure solution was agreed, and pilot testing commenced. The implementation period was, however, extended to year two to reflect the scale of the change and to deliver a more effective outcome.
There is clarity about our key data, and we have an initial set of validated key performance indicators ready to be used by management in 2021-22.	This project was behind schedule at the year end, however the reporting of new key indicators was expected to be delayed only until the end of Q1 of year two.

Financial Review

The consolidated accounts for the year are set out on pages 22 to 47 and should be read in conjunction with this section of the Trustees' report. A summary of the financial results and the work of the Charity are set out below.

The net movement in funds for the year amounted to £2,892,537. This is represented by: -

Incoming resources	£ 8,272,358
Resources expended	£ (8,743,323)
Net outgoing resources	£ (470,965)
Gain on investment assets	£ 3,253,502
Actuarial gain on defined benefit pension scheme	£ 110,000
	£ 2,892,537

Capital Expenditure

The investment in capital expenditure during the year amounted to £193,562.

Incoming Resources

Overall, 2020-21 was a difficult year for income, with total incoming resources of £8,272,358 being generated, a decrease of £1,697,978 on the £9,970,336 raised in 2019-20.

Government restrictions limited community fundraising during Covid 19 and this income activity was the hardest hit, but one-off gifts increased through new digital campaigns and online technology. Overall, income from Corporate and other donations fell by £1.1m to £1.3m. Legacy income was down this year, in some part due to the delays in processing the estates of those who have died; income of £0.6m was achieved compared with £0.8m in 2019-20.

Committed giving grew this year, mainly due to the recruitment of new regular donors and lottery players in the prior year, the retention of these and existing donors increased overall income from Regular Giving and Lottery to £4m from £3.8m in 2019-20.

The impact of coronavirus related restrictions on the Charity's service delivery resulted in a significant number of staff being placed on the Government Coronavirus Job Retention Scheme. This scheme provided much needed income to the Charity of £1.1m during 2020-21; this income is included within Grants. The second and final year of Government funding for the Harcombe House development, an amount of £763k, was included within Grants in 2019-20.

Recycling income, which is included in Trading income, was also negatively impacted this year, with income falling by £199k to £445k. The recycling industry is a global business and in addition to the impact within the UK the industry was further impacted by reduced access to global markets. The Charity worked closely with its partners to ensure all banks continued to be emptied as normal, this was a very positive outcome considering the challenges faced.

Income in 2021-22 will continue to be affected by the impact of the pandemic, for example, public fundraising events will not return to normal for some time due to continued Government restrictions on public events.

Resources Expended

Total expenditure for the year was £8,743,323 compared with £9,953,459 for last year, a 12% or £1,210k decrease.

Fire Fighters Charity

TRUSTEES' REPORT

The Covid 19 related restrictions on face-to-face activity led to the cancellation of fundraising events and the halting of committed giving sign-up activity. While this resulted in a significant reduction in income, some of this was offset by a reduction in the overall cost of raising funds, with £2.6m being spent in 2020-21, a reduction of £574k.

With the centres being closed for almost the whole year, their associated running costs were reduced, so in total charitable expenditure fell by £0.7m to £6.1m. On a more positive note, this spend includes new funding for improving our capability to support our beneficiaries, as demonstrated within the measuring success section.

Investments

The value of investments held at 31 March 2021 was £15,902,404. In addition, cash balances of £2,348,074 were held to support normal cash flow requirements and planned cash outflows.

On 31 March 2018, 9 flats contained within the Marine Court complex in Littlehampton were reclassified as investment property. These assets were previously used in support of charitable activities but were now commercially let outside of the Charity's beneficiary base. During the year to 31 March 2021, a further property within the complex was reclassified as investment property. The properties were professionally valued in 2018 at £175k each. Having reviewed similar properties for sale in the area at the end of the financial year, no adjustment to the value of these investments is deemed necessary. The total value of property investments at 31 March 2021 is £1,750,000.

There has been an increase in the value of cash and investments this year of £3,547,756; being unrealised net gains from existing investments of £3,253,502, an investment property addition of £83,673 and an increase in cash held of £210,581. The total return of the investment fund for the year was 32.3%, this was 8.9% above the benchmark. The investment fund is focused on total return and growth. Income received from listed investments was £356k. The fund incurs a management charge of 0.65%, this equated to approximately £86k in 2020-21 (£85k 2019-20).

The investment policy communicated to our investment managers remained unchanged from the previous year and focused on providing revenue for current operations and enhancing capital growth and income over the longer term, thereby enabling the Charity to meet current and future objectives in accordance with the objects of the Charity. The funds are invested in a Socially Responsible Investment Fund managed by the Charity's investment managers in accordance with the Charity's ethical policy.

Our Approach to Fundraising

The Fire Fighters Charity sets out to fundraise in an open, honest and respectful manner. We use multiple channels to fundraise from various audiences. When developing our fundraising campaigns, we assess the impact our fundraising could have on an individual and take actions to mitigate any negative impact. When running fundraising campaigns, we welcome feedback and use this to help shape future fundraising campaigns. We always treat donor data responsibly and are compliant with all UK data protection laws. Our privacy policy is published on our website and gives details of the information we hold and how and why we process it.

We are registered with the Fundraising Regulator. When fundraising, the Charity adheres to the Code of Fundraising Practice as set by The Fundraising Regulator. For our lottery and raffles, we are also licensed by the Gambling Commission. We routinely monitor and review our fundraising activities to ensure that we comply with regulations. Our fundraising team managers regularly monitor and review performance by attending our fundraising events and talks, providing feedback to our fundraisers. For the 2020-21 business year, when conducting telephone fundraising the majority of calls were recorded and where they were, a sample of calls for each campaign were listened to. For our external face to face lottery agency, we have regular catch ups with team leaders and their managers, as well as monitoring feedback from donors about their experience. In respect of complying with the Code of Fundraising Practice, we have had no adjudications and have had no significant failures.

Fire Fighters Charity

TRUSTEES' REPORT

We record and investigate all fundraising complaints received and use this information to inform our fundraising strategy. For the financial year 2020-21 we received 21 complaints compared to 25 in the previous year.

We ensure that our fundraisers follow the Fundraising Regulator's policy on vulnerable people. We listen to our donors and take on board their feedback and change our behaviour accordingly. For example, we do not use telephone fundraising after 8pm as our supporters told us that they did not want to be called after this time. We also work in line with the best practice guidance from Institute of Fundraising, documented in their Guide "Treating donors fairly - fundraising with people in vulnerable circumstances". When working with an external agency we ensure that they have a vulnerable person policy in place and do not work with agencies that do not have this. For our lottery and raffles, we also have a Social Responsibility Policy which is published on our website. All fundraisers (internal and external) have a training session to understand this policy before they promote our lottery, and they have regular refresher sessions.

Without the generous support of donors, the Charity could not provide the mental, physical and social support to thousands of beneficiaries every year. We will therefore always set out to fundraise in an open, honest and respectful manner.

Fire Fighters Trading Limited

2020-21 was a challenging year for Fire Fighters Trading with all the company's activities being affected by Covid 19. Despite this, a profit for the year of £426k, before paid or proposed donations to the Charity, was achieved. While this was much lower than the £822k achieved in 2019-20, the ability to make a donation of this size to the Charity in this difficult year was very pleasing.

In addition to challenges faced within the UK, the recycling industry was severely impacted by the disruption to their international textile markets. Because of this and in order to ensure that our banks would continue to be routinely emptied during this difficult time, a temporary reduction in the price per tonne was agreed. The positive relationship that we have with our recycling partners delivered £445k of income while, at the same time, also maintaining a high standard of bank management which is vital for the fire and rescue services they are placed with.

Due to Covid 19 related Government imposed restrictions and guidance, the Charity centres were closed for most of the year and this limited the opportunity to generate income from this source. Outside of the usual solar panel generated income, rental and associated income was limited to just £38k and no private rehabilitation services were able to be sold. In 2019-20 there had been approximately £499k of income generated from activity linked to these centres.

During the first national lockdown from March to June 2020, it was decided to temporarily close our online merchandise offering as the reduced volume of trade was not sustainable. From the summer onwards the store was reopened, and sales gradually returned, achieving an income for the year of £138k, 58% of the total achieved in 2019-20. Considering the closure time and the ongoing challenges this result was very positive.

The Covid 19 related challenges to trade in 2020-21 are expected to continue into the next business year, quarter one in particular, so while the new financial year will be an improvement on the year just gone trade is not forecast to reach the levels achieved on 2019-20. The positive net profit achieved in 2020-21 does however demonstrate the company's strength, which confirms its ability to continue as a going concern despite the continuing impact on activity.

Reserves Policy

The reserves policy aims to ensure that the Charity continues to set aside funds that enable it to achieve its objectives, while at the same time ensuring there are adequate reserves held to ensure continuity of service to beneficiaries if setbacks occur. The Board approved policy accords with five principal statements of intent:

1. Funds held as tangible fixed assets for Charity use are not available to be expended and will therefore be designated.
2. Reserves will be designated to reflect the Board's requirement to hold in reserve the minimum of either 12 months' expenditure or the value of investments held to support the income target for the year ahead.
3. Reserves will be designated where appropriate to fund future plans where income from those future years is not expected to be sufficient to meet the expenditure requirements. These funds will be held in a combination of fixed and current assets as appropriate.
4. Reserves will be designated as appropriate to fund investment in the facilities of the Charity for the purpose of increasing the sustainability of services or generating new income.
5. An appropriate level of free reserves will be held in current assets to ensure that the necessary funds are available to meet the day to day operational requirements of the Charity.

At 31 March 2021 the reserves totalled £33,812,928. This is represented by:

Restricted Funds	£ 180,765
Designated Funds	£ 32,352,125
General Funds	£ 1,280,038
	<u>£ 33,812,928</u>

As at 31 March 2021 the Charity has a defined benefit pension scheme surplus of £443,000. These funds are allocated to general funds.

The Trustees review the financial performance of the Charity in conjunction with the reserves policy on a quarterly basis. As at 31 March 2021 the total value of reserves held was allocated to specific funds in accordance with the five principal statements of the reserves policy. Free reserves of approximately 4 weeks' worth of expenditure remain in place to support the day to day operational requirements of the Charity. The value of reserves held ensure the Charity's position as a going concern.

Risk Management

There is a Board approved Operating Procedure for Risk Management. Processes are in place to enable Trustees to examine major strategic and operational risks. Risk Management is part of the working lives of staff and volunteers and is an integral part of performance management. Risk assessment has been introduced as part of many policies and procedures. Strategic risk registers are reviewed by the Finance and Audit Committee at each meeting and the full board annually. The Trustees confirm that the major risks that they have identified to which the Charity is exposed have been reviewed, and systems and procedures have been established to manage those risks. The most significant strategic risks relate to the impact of Covid 19, these include: the ability to deliver services and the potential increase in demand, the loss of income due to restrictions imposed on fundraising activities and the risk to our employees in terms of their health and wellbeing and their employment. The objectives within the strategic plan are helping to mitigate these risks, in particular the development of new digital services and fundraising methods and diversifying our service offering and income generating activities.

Safeguarding

We will not tolerate the abuse of adults in any of its forms and we are committed to safeguarding adults with care and support needs and ensuring that all our services are delivered within a safe and effective framework.

We respect the rights of all service users to live their chosen life with privacy, dignity, independence, choice and fulfilment. Responsibility for working preventatively, safeguarding and protecting service users' privacy, dignity and respect does not lie with one individual or group but with all our employees at every level. Safeguarding and respect are not additional elements of our service / care provision, but integral to the delivery of high-quality and safe and effective services.

We are committed to working collaboratively and in partnership with other agencies to ensure service users access their human right to live a life that is free from harm, neglect and exploitation.

Environmental Statement

We take our impact on the environment seriously and along with some recent specific activities we have a number of solar panels in each of our three centres which have generated approximately 500,000 KWh since installation in November 2014.

We work closely with our suppliers to ensure their impact on the environment is a top priority. This can be down to how they lower their effect on the environment to changes in the products we purchase to reduce chemicals and introduce more natural solutions.

Our 300-acre site at Harcombe House in Devon uses re-claimed rainwater for much of the maintenance required to keep the grounds in a well-kept state. In addition, petrol vehicles used around the grounds have been changed for electric powered buggies. The site also works closely with the RSPCA to monitor and care for the wildlife in the grounds, ensuring that they have suitable surroundings to thrive. We have also developed links with the Forestry Commission, whose land borders ours, to ensure the acres of woodland that covers both properties are well maintained and safe and promote the growth of wildflowers across both areas.

We have developed close links with the Environment Agency at both Harcombe House in Devon and Jubilee House in Cumbria. Both properties have either a river running through the land or bordering it. At Jubilee House our teams worked closely with the Environmental Agency following flooding in 2016. The property now has a high specification flood defence system and further work continues with the Environment Agency on their proposals for the weir on the River Eamont which borders our property.

The environment was considered throughout the refurbishment of Harcombe House. Where possible Forest Stewardship Council materials were used to ensure the products came from well managed forest and recycling resources. Our contractors recycled waste that was removed where possible. The heating systems and insulation were upgraded to increase efficiency throughout with the aim of reducing our energy consumption, and along the same lines, lighting systems were replaced in the main house and outbuildings with modern, low energy LED fittings which again aid a reduction in our energy consumption.

All our sites recycle, and we encourage our rental guests to consider recycling by providing collection facilities for different waste products.

We offer our employees flexible working arrangements where possible, and meetings are held via video conferencing where appropriate; one benefit of both is the reduction of travel.

This year we have commenced the development of an Environmental Management System (EMS) by developing an environmental impact assessment for each building. The EMS is being developed in line with our strategic plan and will assist us to improve our environmental performance, minimise risk and reduce organisational overheads.

As part of the wider environmental project, we have reviewed our utility supplier and have agreed contracts that will provide green electrical energy and offset our carbon usage for natural gas. The carbon offset is certificated by the United Nations CERs accreditation scheme which aims to help reduce and prevent carbon dioxide emissions through projects in developing countries under its Clean Development Mechanism.

In the coming year we will continue to review our systems to ensure that any new equipment can utilise green energy sources. This will include a review of natural gas and LPG boilers and potential alternatives such as ground source heat pumps, electrical boilers, and the potential to self-produce greener energy in the future.

Going Concern

Covid 19 resulted in the Charity's rehabilitation centres and head office being closed for most of the year. It also caused the cancellation of fundraising events and activities. While this led to a significant reduction in the Charity's ability to support beneficiaries, the financial impact on the year was modest, this was due to a reduction in running costs and government support for wages through the job retention scheme. The Charity was able to make progress with implementing the new strategic plan, with the development of new digital solutions helping to mitigate some of the challenges of the pandemic. These planned strategic investments also contributed to the loss in the year.

The Charity's ability to progress with the strategic aims during these challenging times was due to the strength of reserves held which enabled the Trustees to designate £2m of reserves to mitigate the impact of a reduction in income as well as £2m of reserves to support the objectives of the 5 year strategic plan. As at the 31 March 2021 £471k of the £4m of designated funds had been used, with a further £2m expected to be needed in the year to 31 March 2022. This would leave a further £1.5m to support years 3 to 5 of the plan. In addition to these designated funds the reserves policy requirement to hold a minimum of 12 months of expenditure has also been met. The ability to continue to fund strategic plans during a global crisis while operating within the framework of the existing reserves policy demonstrates the Charity's ability to continue as a going concern.

Future Plans

It is with great sadness that we report the death of Paul Fuller, Chair of The Trustee Board, on 7th June 2021.

In responding to this interregnum, our usual arrangements for the annual election of Chair and Deputy Chair have been amended to both allow Trustees more time to consider their position and to be sensitive and respectful to the exceptional circumstances.

The Board of Trustees have appointed Peter Davies as Chair for the period up to and including the AGM on 18th November 2021, with the newly appointed Chair and Deputy Chair formally taking up their positions after the AGM.

2021-22 will be the second year of our ambitious 5 year Strategic Plan and despite the continued challenges that the Charity faces, we look forward to building on our success from year one.

In line with the plan, we will continue to progress several projects within each of the four portfolios outlined in this report, collectively enabling us to achieve our aims by 2025. In the next twelve months specifically, we have identified the following key outcomes:

- Provision of a broad range of dynamic health & wellbeing content and campaigns that are being engaged with by an increasing number of beneficiaries.
- Becoming more closely aligned with our Fire and Rescue Service partners to aid more proactive support at the earliest opportunity.

Fire Fighters Charity

TRUSTEES' REPORT

- Delivering improved outcomes and impact from starting to wrap digital interactions around our residential provision.

Auditors

A resolution to reappoint James Cowper Kreston, Chartered Accountants as auditor will be put to the Members at the annual general meeting.

On behalf of the Trustees



Peter Davies
Chair of the Board
28 July 2021

Company Registration Number: 4480058

Charity Registration Number: 1093387

Scottish Charity Registration Number: SC040096

Independent Auditor's Report to the Trustees and Members of Fire Fighters Charity

We have audited the financial statements of The Fire Fighters Charity (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 set out on pages 22 to 47. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If based on the work we have performed,

Fire Fighters Charity

INDEPENDENT AUDITOR'S REPORT

we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Enquiry of management, those charged with governance and the entity's solicitors (or inhouse legal team) around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;

Fire Fighters Charity

INDEPENDENT AUDITOR'S REPORT

- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Farwell MA FCA DChA (Senior Statutory Auditor)
for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor
2 Communications Road
Greenham Business Park
Greenham
Newbury
Berkshire
RG19 6AB

Date: 18/10/2021

Fire Fighters Charity

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES, INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

Year ended 31 March 2021

Company Registration Number: 4480058

	Note	Unrestricted Funds	Restricted Funds	Total to 31 March 2021	Total to 31 March 2020
		£	£	£	£
INCOME FROM:					
Donations and legacies	1	4,277,784	1,293,741	5,571,525	6,591,410
Other trading activities	2	2,204,161	-	2,204,161	2,864,962
Investments	4	359,590	-	359,590	360,317
Charitable activities		137,082	-	137,082	145,697
Other income		-	-	-	7,950
TOTAL INCOME		6,978,617	1,293,741	8,272,358	9,970,336
EXPENDITURE ON:					
Raising funds	5	2,555,443	59,556	2,614,999	3,186,630
Charitable activities:					
Physical Health	5	2,471,308	973,324	3,444,632	3,998,440
Mental Health	5	1,621,908	230,148	1,852,056	2,049,268
Social Health and Wellbeing	5/6	694,826	7,624	702,450	719,121
Other expenditure		129,186	-	129,186	-
Total expenditure on charitable activities		4,917,228	1,211,096	6,128,234	6,766,829
TOTAL EXPENDITURE		7,472,671	1,270,652	8,743,323	9,953,459
Net (expenditure)/income before investment gains and losses		(494,054)	23,089	(470,965)	16,877
Net gains/(losses) on investments	11	3,253,502	-	3,253,502	(820,107)
NET INCOME/(EXPENDITURE)		2,759,448	23,089	2,782,537	(803,230)
Transfers between funds		118,000	(118,000)	-	-
OTHER RECOGNISED GAINS & LOSSES:					
Actuarial gains/(losses) on defined benefit pension scheme	8	110,000	-	110,000	326,000
NET MOVEMENT IN FUNDS		2,987,448	(94,911)	2,892,537	(477,230)
RECONCILIATION OF FUNDS					
Total funds brought forward		30,644,715	275,676	30,920,391	31,397,621
TOTAL FUNDS CARRIED FORWARD		33,632,163	180,765	33,812,928	30,920,391

All activities are continuing.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The comparative figures for restricted funds are shown in the notes to the accounts.

Fire Fighters Charity

CHARITY STATEMENT OF FINANCIAL ACTIVITIES, INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

Year ended 31 March 2021

Company Registration Number: 4480058

	Note	Unrestricted Funds	Restricted Funds	Total to 31 March 2021	Total to 31 March 2020
		£	£	£	£
INCOME FROM:					
Donations and legacies	1	4,277,784	1,293,741	5,571,525	6,591,410
Other trading activities	2	1,557,283	-	1,557,283	1,474,007
Investments	4	684,013	-	684,013	1,235,854
Charitable activities		137,082	-	137,082	145,697
Other income		-	-	-	7,950
TOTAL INCOME		6,656,162	1,293,741	7,949,903	9,454,918
EXPENDITURE ON:					
Raising funds	5	2,333,985	59,556	2,393,541	2,635,663
Charitable activities:					
Physical Health	5	2,471,308	973,324	3,444,632	3,998,688
Mental Health	5	1,621,908	230,148	1,852,056	2,030,453
Social Health and Wellbeing	5/6	694,826	7,624	702,450	719,222
Other expenditure		129,186	-	129,186	-
Total expenditure on charitable activities		4,917,228	1,211,096	6,128,324	6,748,363
TOTAL EXPENDITURE		7,251,213	1,270,652	8,521,865	9,384,026
Net (expenditure)/income before investment gains and losses		(595,051)	23,089	(571,962)	70,892
Net gains/(losses) on investments	11	3,253,502	-	3,253,502	(820,107)
NET (EXPENDITURE)/INCOME		2,658,451	23,089	2,681,540	(749,215)
Transfers between funds		118,000	(118,000)	-	-
OTHER RECOGNISED GAINS & LOSSES:					
Actuarial gains/(losses) on defined benefit pension scheme	8	110,000	-	110,000	326,000
NET MOVEMENT IN FUNDS		2,886,451	(94,911)	2,791,540	(423,215)
RECONCILIATION OF FUNDS					
Total funds brought forward		30,516,503	275,676	30,792,179	31,215,394
TOTAL FUNDS CARRIED FORWARD		33,402,954	180,765	33,583,719	30,792,179

All activities are continuing.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The comparative figures for restricted funds are shown in the notes to the accounts.

Fire Fighters Charity
BALANCE SHEETS
As at 31 March 2021

Company Registration Number: 4480058

	Note	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
FIXED ASSETS					
Tangible assets	10	14,288,108	14,288,108	14,933,808	14,933,808
Investments	11	15,902,404	15,902,404	12,565,229	12,565,229
Investments in group companies	12	-	4	-	4
		<u>30,190,512</u>	<u>30,190,516</u>	<u>27,499,037</u>	<u>27,499,041</u>
CURRENT ASSETS					
Stocks	13	64,603	4,766	80,580	7,611
Debtors	14	1,211,282	1,098,222	1,362,459	1,345,662
Cash at bank and in hand		2,348,074	2,241,114	2,137,493	2,019,136
		<u>3,623,959</u>	<u>3,344,102</u>	<u>3,580,532</u>	<u>3,372,409</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	15	(444,543)	(393,899)	(488,178)	(408,271)
NET CURRENT ASSETS		<u>3,179,416</u>	<u>2,950,203</u>	<u>3,092,354</u>	<u>2,964,138</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>33,369,928</u>	<u>33,140,719</u>	<u>30,591,391</u>	<u>30,463,179</u>
Defined Benefit Pension scheme	8	443,000	443,000	329,000	329,000
NET ASSETS		<u><u>33,812,928</u></u>	<u><u>33,583,719</u></u>	<u><u>30,920,391</u></u>	<u><u>30,792,179</u></u>
FINANCED BY:					
Restricted funds	16	180,765	180,765	275,676	275,676
Designated funds	16	32,352,125	32,160,097	29,499,037	29,499,037
General funds	16	1,280,038	1,242,857	1,145,678	1,017,466
		<u>33,812,928</u>	<u>33,583,719</u>	<u>30,920,391</u>	<u>30,792,179</u>

Approved and authorised for issue by the Charity Trustees on 28 July 2021 and signed on their behalf by:-



Peter Davies – Chair

Fire Fighters Charity
CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 March 2021

	Note	£	2021 £	£	2020 £
NET CASH INFLOW PROVIDED BY OPERATING ACTIVITIES	20		41,703		465,080
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends, interest and rents from investments	4	359,590		360,317	
Purchase of property, plant and equipment	10	(193,562)		(1,477,036)	
Proceeds from sale of equipment		2,850		7,950	
Proceeds from sale of investments	11	-		1,500,000	
NET CASH GENERATED BY / (USED BY) INVESTING ACTIVITIES			168,878		391,231
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD			210,581		856,311
Cash equivalents at the beginning of the reporting period			2,137,493		1,281,182
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	21		2,348,074		2,137,493

Fire Fighters Charity
CHARITY CASH FLOW STATEMENT
Year ended 31 March 2021

	Note	£	2021 £	£	2020 £
NET CASH (OUTFLOW) / PROVIDED BY OPERATING ACTIVITIES	20		(271,323)		(454,307)
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends, interest and rents from investments	4	359,145		359,722	
Purchase of property, plant and equipment	10	(193,562)		(1,477,036)	
Gift Aid payment from subsidiary	4	324,868		876,132	
Proceeds from sale of equipment		2,850		7,950	
Proceeds from sale of Investments	11	-		1,500,000	
NET CASH GENERATED BY INVESTING ACTIVITIES			493,301		1,266,768
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD			221,978		812,461
Cash equivalents at the beginning of the reporting period			2,019,136		1,206,675
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	21		2,241,114		2,019,136

Fire Fighters Charity

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

PRINCIPAL ACCOUNTING POLICIES

The Statements of Financial Activities and Balance Sheets have been prepared in accordance with applicable accounting standards under the historical cost convention, except for investments, which are stated at market value.

The Statements of Financial Activities and Balance Sheets reflect the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP), issued in 2019 (which is applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland [FRS102]) and the Companies Act 2006.

The Fire Fighters Charity constitutes a public benefit entity as defined by FRS 102.

DONATIONS

Donations and gifts are recognised in the Statements of Financial Activities and Balance Sheets as soon as there is entitlement, probability of receipt and an ability to measure the value.

LEGACIES

Income from legacies is recognised when the legacy has been received or when the Charity has been notified of entitlement of the legacy prior to the year end and it is probable that the legacy will be received, defined when:

- there has been grant of probate,
- the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and
- any conditions attached to the legacy either are within the control of the Charity or have been met.

LOTTERY INCOME

Lottery income is recognised based on the number of tickets included in each monthly draw. Any tickets purchased for future draws are deferred until that draw takes place.

CENTRES' INCOME

This represents ancillary income generated at the Charity's rehabilitation and recuperation centres and is recognised on receipt.

GRANTS RECEIVABLE

Grants are recognised on notification when there is entitlement, likelihood of receipt is probable, and the amount can be measured.

GOVERNMENT GRANTS

Government grants, including Covid 19 related grants, are credited to the Statement of financial activities as the related expenditure is incurred.

DEFERRED INCOMING RESOURCES

Income received in advance is included in deferred income.

Fire Fighters Charity

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

GIFTS IN KIND

Incoming resources in the form of gifts in kind are included in the Statements of Financial Activities when they are seen as having a value in excess of £1,000. Assets given for use by the Charity are recognised as incoming resources and within the relevant fixed asset category of the Balance Sheet when received.

An amount equal to the donations income recognised on gifts in kind and goods or services received free of charge is included within the most relevant category of expenditure to which the donation relates.

INVESTMENT INCOME

Dividends are recognised in the Statements of Financial Activities and Balance Sheets when they are receivable.

Bank interest is included in the Statements of Financial Activities and Balance Sheets when receivable.

TRADING INCOME

Trading income is recognised as services or goods provided or despatched.

EXPENDITURE

The value of purchase invoices not paid until after the year-end but relating to the year has been included in the Statements of Financial Activities and Balance Sheets.

Liabilities are recognised as soon as there is a legal or constructive liability committing the Charity to pay out resources.

Charitable expenditure is allocated against the core beneficiary need areas supported by the Charity.

IRRECOVERABLE VAT

Irrecoverable VAT is not separately analysed and is charged to the Statements of Financial Activities and Balance Sheets when the expenditure to which it relates is incurred and is allocated as part of the expenditure to which it relates.

GRANTS

Grants are paid and expensed as they are authorised and the recipient is notified of the grant award and a legal or constructive obligation is created.

FUNDRAISING COSTS

Expenditure, inclusive of any irrecoverable VAT, is accounted for on an accruals basis as liabilities are incurred. Where appropriate, costs are deferred so as to permit recognition in the same accounting period as related income.

INVESTMENTS AND INVESTMENT GAINS AND LOSSES

Stocks and shares quoted on the London Stock Exchange are included in the Balance Sheets at their market value as at the year end date.

Investment management fees are charged as part of a managed fund and deducted before income is distributed. The fund incurs a management charge of 0.65%, this equated to £86k in 2020-21 (£85k 2019-20).

Fire Fighters Charity

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

BASIS OF CONSOLIDATION

The group accounts consolidate the accounts of the charitable company and its subsidiary companies. Intra-group balances and transactions are eliminated on consolidation. The results of the subsidiary companies are consolidated on a line by line basis.

CAPITALISATION AND DEPRECIATION OF TANGIBLE FIXED ASSETS

Expenditure on tangible fixed assets is capitalised if the cost of the asset, or a group of related assets, is £5,000 or more. The cost of tangible fixed assets is their purchase cost together with any incidental expenses of acquisition. Tangible fixed assets are stated at cost net of depreciation. All tangible fixed assets, other than freehold land and assets in progress are depreciated using the straight line method over their estimated useful lives as follows:

Freehold and long-leasehold property	30-50 years
Building improvements	5-25 years
Furniture and equipment	3-10 years
Plant and machinery	5-7 years
Motor vehicles	4-7 years

Assets in the course of construction are not depreciated until brought into operational use. Any assets that are impaired in value are written down to their recoverable amount.

STOCKS

Stocks are stated at the lower of cost and net realisable value. Net realisable value of stocks for re-sale is derived from the estimated selling prices of the stock less direct selling costs. Consumable stocks are valued at cost, unless it is anticipated that the stocks will not be used in the foreseeable future. In the latter case, the stocks are not valued.

DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

CREDITORS AND PROVISIONS

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.

Fire Fighters Charity

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

FINANCIAL INSTRUMENTS

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

LEASES

Amounts due under operating leases are charged to the Statements of Financial Activities and Balance Sheets on a straight line basis over the term of the lease.

Equipment purchased under finance leases is capitalised as if purchased outright with depreciation charged to the Statements of Financial Activities, interest is charged equally over the length of the lease.

APPORTIONMENT OF EXPENDITURE

Expenditure is apportioned under the guidance of Financial Reporting Standard 102 and analysed between costs of generating funds, charitable activities and governance costs:

The method of apportionment is as follows:

1. Costs attributable solely to one activity are allocated to that activity
2. Costs that contribute directly to the output of more than one activity are apportioned on a reasonable, justifiable and consistent basis,
3. Support and governance costs are apportioned based on the following criteria:

General Management	Time allocated
Marketing & Communications	Time allocated
Customer Services	Total number of employees
Finance	Total number of transactions
Databases	Time allocated
IT	Total number of IT supported employees
HR	Total number of employees
Volunteer Management	Time allocated
Legal & Governance	Total number of employees

FUNDS

Restricted funds are those funds received which have been donated based on of the Charity using those funds for a specific purpose as outlined by the donor. Descriptions of the restrictions placed on those donations are provided in note 16 to the accounts.

Designated funds are created out of unrestricted funds for specific purposes. Funds are released once the purposes have been fulfilled or when the Trustees are of the opinion that circumstances no longer warrant the designation of funds. The value and purpose of each designated fund can be found in note 16 to the accounts.

General funds are the accumulated unrestricted funds of the Charity, which have not been designated for a specific purpose. There is a specific minimum amount the Trustees require to be held as general funds; this is outlined in the reserves policy on page 15.

Fire Fighters Charity

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

RETIREMENT BENEFITS

For defined benefit schemes the amount charged to resources expended in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within resources expended.

Actuarial gains and losses arising from new valuations and from updating valuations to the Balance Sheet date are recognised in the Statements of Financial Activities and Balance Sheets as actuarial gains and losses on defined benefit pension scheme.

Defined benefit schemes are funded, with the assets held separately from the group in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every 3 years, and updated to reflect current conditions at each Balance Sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the Balance Sheets only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the Trustees have agreed a refund from the scheme at the Balance Sheet date. A pension scheme liability is recognised to the extent that the group has a legal or constructive obligation to settle the liability.

For defined contribution schemes the amount charged to Statements of Financial Activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheets.

LIQUID RESOURCES

Liquid resources are represented by monies held by the Charity's investment managers for investment purposes. These funds are held as cash deposits.

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Tangible fixed assets (see note 10)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

GOING CONCERN

As outlined in the Trustees' report the Trustees consider that despite the economic impact of Covid 19, the strength of reserves held will enable the Charity to sustain losses in the next 12 months while still progressing with new strategic plans. The trustees are therefore of the opinion that there are no material uncertainties about the Charity's ability to continue as a going concern.

Fire Fighters Charity

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

1 DONATIONS AND LEGACIES

GROUP AND CHARITY	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
		£	£	£
Regular giving donations	2,418,052	-	2,418,052	2,384,120
Corporate and other donations	1,253,777	500	1,254,277	2,438,950
Gifts in kind	12,846	-	12,846	23,455
Legacies receivable	549,018	18,714	567,732	812,174
Grants	44,091	1,274,527	1,318,618	932,711
	<u>4,277,784</u>	<u>1,293,741</u>	<u>5,571,525</u>	<u>6,591,410</u>

In 2020, the income from donations and legacies was £6,591,410 of which £5,360,921 was unrestricted and £1,230,489 was restricted.

Within the restricted grants figure of £1,274,527 there is £1,128,077 received from the UK government's Coronavirus Job Retention Scheme (2020: NIL).

Income includes aggregated unconditional donations from 4 trustees (2020: 7 trustees) totalling £281 (2020: £614).

We are grateful to volunteers who assist the Charity in a variety of roles including co-ordinating fundraising activities, raising awareness of our services and supporting beneficiaries through the provision of welfare visits and living well groups. The aggregate time given by all volunteers in 2019-20 was in excess of 100,000 hours. Unfortunately, due to Covid 19, our volunteers have not been able to undertake activities in 2020-21 to the extent of previous years. Where it has been possible, our volunteers have continued to support our fundraising activities. In the coming year we hope to be able to welcome back all our volunteers who provide a significant contribution to the success of our organisation. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of these volunteers is not recognised in the accounts.

2 OTHER TRADING ACTIVITIES

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Lottery	1,539,248	1,539,248	1,457,684	1,457,684
Centres income	18,035	18,035	16,323	16,323
Trading income	646,878	-	1,390,955	-
	<u>2,204,161</u>	<u>1,557,283</u>	<u>2,864,962</u>	<u>1,474,007</u>

£34,299 of lottery income has been deferred as it relates to draws that have not yet taken place. £31,755 was released to income in the current year from amounts deferred in 2020.

In 2021 and 2020 all of the income from other trading activities was unrestricted.

Fire Fighters Charity

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

3 NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES

The wholly owned trading subsidiary, Fire Fighters Trading Limited, a company incorporated in England & Wales (company number 3816625), undertakes selling products branded with the Fire Fighters Charity logo and non-charitable trading activities held at the Charity's rehabilitation and recuperation centres.

The non-charitable net income of the subsidiary is as follows:

	2021	2020
	£	£
Trading turnover	646,878	1,390,955
Cost of sales	(110,174)	(308,912)
Gross profit	536,704	1,082,043
Administrative expenses	(112,128)	(273,637)
Other operating income	843	13,121
Operating profit	425,419	821,527
Other interest receivable	446	595
Profit before and after taxation	425,865	822,122

As at 31 March 2021, the company's net assets comprised current assets of £289,718 (2020: £333,598) and current liabilities of £60,507 (2020: £205,384). The profit is gifted to the Charity.

The financial information for this company has been extracted from the company's financial statements for the year ended 31 March 2021. The audit report on these financial statements was unqualified.

4 INCOME FROM INVESTMENTS

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Income from listed investments	355,619	355,619	356,477	356,477
Interest	3,971	3,526	3,840	3,245
Gift Aid payment from subsidiary	-	324,868	-	876,132
	359,590	684,013	360,317	1,235,854

In 2020 all of the income from investments was unrestricted.

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

5 ANALYSIS OF EXPENDITURE ON RAISING FUNDS AND CHARITABLE ACTIVITIES

GROUP

	Direct Costs £	Support Costs £	Total 2021 £	Direct Costs £	Support Costs £	Total 2020 £
COSTS OF RAISING FUNDS						
Raising funds	843,518	551,761	1,395,279	1,001,750	570,340	1,572,090
Fundraising trading costs	897,873	235,449	1,133,322	1,309,803	304,737	1,614,540
Investment management costs	86,398	-	86,398	-	-	-
	<u>1,827,789</u>	<u>787,210</u>	<u>2,614,999</u>	<u>2,311,553</u>	<u>875,077</u>	<u>3,186,630</u>
COSTS OF CHARITABLE ACTIVITIES						
Physical Health	2,540,785	903,847	3,444,632	3,112,947	885,493	3,998,440
Mental Health	1,363,024	489,032	1,852,056	1,624,299	424,969	2,049,268
Social Health and Wellbeing	486,501	215,949	702,450	523,393	195,728	719,121
Other expenditure	129,186	-	129,186	-	-	-
	<u>4,519,496</u>	<u>1,608,828</u>	<u>6,128,324</u>	<u>5,260,639</u>	<u>1,506,190</u>	<u>6,766,829</u>
Total Resources Expended	<u>6,347,285</u>	<u>2,396,038</u>	<u>8,743,323</u>	<u>7,572,192</u>	<u>2,381,267</u>	<u>9,953,459</u>

CHARITY

	Direct Costs £	Support Costs £	Total 2021 £	Direct Costs £	Support Costs £	Total 2020 £
COSTS OF RAISING FUNDS						
Costs of generating voluntary income	843,518	551,761	1,395,279	1,001,751	590,513	1,592,264
Fundraising trading costs	676,415	235,449	911,864	740,374	303,025	1,043,399
Investment Management Charges	86,398	-	86,398	-	-	-
	<u>1,606,331</u>	<u>787,210</u>	<u>2,393,541</u>	<u>1,742,125</u>	<u>893,538</u>	<u>2,635,663</u>
COSTS OF CHARITABLE ACTIVITIES						
Physical Health	2,540,785	903,847	3,444,632	3,112,948	885,740	3,998,688
Mental Health	1,363,024	489,032	1,852,056	1,624,298	406,155	2,030,453
Social Health and Wellbeing	486,501	215,949	702,450	523,393	195,829	719,222
Other expenditure	129,186	-	129,186	-	-	-
	<u>4,519,496</u>	<u>1,608,828</u>	<u>6,128,324</u>	<u>5,260,639</u>	<u>1,487,724</u>	<u>6,748,363</u>
Total Resources Expended	<u>6,125,827</u>	<u>2,396,038</u>	<u>8,521,865</u>	<u>7,002,764</u>	<u>2,381,262</u>	<u>9,384,026</u>

Included with the costs above are:

	2021 £	2020 £
Depreciation	623,553	617,973
Operating leases – land and buildings	145,486	179,718
Operating leases – other	11,790	18,527
Auditor's remuneration (Charity only: £17,200 (2020: £16,870))	20,300	19,395
Governance costs	31,532	50,178

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

5 ANALYSIS OF EXPENDITURE ON RAISING FUNDS AND CHARITABLE ACTIVITIES (continued)

**ANALYSIS OF SUPPORT COSTS
GROUP AND CHARITY**

	2021	2020
	£	£
Staff costs	1,348,073	1,249,810
Office costs	405,781	429,897
Depreciation	133,285	99,310
VAT irrecoverable	123,175	115,581
Volunteer costs	449	5,187
Travel costs	1,500	33,540
Other costs	383,775	447,941
	<u>2,396,038</u>	<u>2,381,266</u>

Support costs, including governance costs, are allocated between activities on the basis set out on page 30.

In 2020, the expenditure on charitable activities was £6,766,829 of which £6,586,036 was unrestricted and £180,793 was restricted.

In 2020, the expenditure on raising funds was £3,186,630, all of which was unrestricted.

6 SOCIAL HEALTH AND WELLBEING

	2021	2020
	£	£
GROUP AND CHARITY		
One-off solutions	102,675	177,864
Islander travel	180	2,214
Wreaths	657	175
Other direct costs	382,989	343,140
	<u>486,501</u>	<u>523,393</u>
Administration costs	215,949	195,728
	<u>702,450</u>	<u>719,121</u>

All grant payments are made to individuals and no grant funding from third parties has been received in relation to them.

7 STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

	2021	2020
	£	£
Wages and salaries	4,243,105	4,405,509
Social security costs	358,754	378,295
Pension costs	341,902	353,922
	<u>4,943,761</u>	<u>5,137,726</u>

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

7 STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL (continued)

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

	2021 Number	2020 Number
£70,001 - £80,000	2	2
£90,001 - £100,000	1	1
£110,001 - £120,000	1	1

During the year, pension contributions of £32,256 (2020: £32,189) were paid in respect of the above employees to defined contribution pension schemes.

The key management personnel of the Group comprise those of the Charity and the key management personnel of its wholly owned subsidiary the Fire Fighters Trading Limited. The key management personnel of the trading company comprise its Directors and of the Charity, comprise the Trustees and the Strategic Leadership Team as detailed on page 2. The total employee benefits of the key management personnel of the Group and the Charity were £441,196 (2020: £442,064).

The Trustees were not paid or received any other benefits from employment with the Charity or its subsidiary in the year (2020: Nil). No travel, accommodation and subsistence expenses were reimbursed (2020: £6,345 to 8 Trustees).

A redundancy payment of £2,862 was paid to 1 employee (2020: £3,392 to 2 employees). No ex gratia payments were paid during the year (2020: Nil).

The average number of staff employed during the year was 190 (2020: 188).

Numbers employed, calculated on a full time equivalent basis, analysed by function were:

	2021 Number	2020 Number
Charitable activities:		
Physical Health	66	65
Mental Health	23	24
Social Health & Wellbeing	10	10
Costs of generating funds	20	19
Support	21	21
	140	139

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

8 PENSION COSTS

	2021 £'000	2020 £'000
AMOUNTS RECOGNISED IN THE BALANCE SHEETS		
Fair value of employer assets	1,815	1,476
Present value of funded liabilities	(1,372)	(1,147)
	<u>443</u>	<u>329</u>
RECONCILIATION OF DEFINED BENEFIT OBLIGATION		
Opening defined benefit obligation	1,147	1,529
Current service cost	9	13
Interest cost	26	36
Contributions by members	2	2
Changes in assumptions	242	(365)
Estimated benefits paid	(54)	(68)
	<u>1,372</u>	<u>1,147</u>
Closing defined benefit obligation	1,372	1,147
RECONCILIATION OF FAIR VALUE OF EMPLOYER ASSETS		
Opening fair value of employer assets	1,476	1,524
Interest income	33	36
Contributions by members	2	2
Contributions by the employer	6	21
Return on assets excl. amounts included in net interest	352	(39)
Benefits paid	(54)	(68)
	<u>1,815</u>	<u>1,476</u>
Closing fair value of employer assets	1,815	1,476

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

8 PENSION COSTS (continued)

THE MAJOR CATEGORIES OF PLAN ASSETS AS A PERCENTAGE OF TOTAL PLAN ASSETS	2021	2020
Equities	56%	47%
Bonds	31%	39%
Property	7%	8%
Cash	6%	6%
Total	100%	100%

	2021	2020
PRINCIPAL ACTUARIAL ASSUMPTIONS		
Pension increase rate	2.85%	1.9%
Salary increase rate	3.35%	2.3%
Discount rate	2.00%	2.3%

As at the date of the most recent valuation, the duration of the Employer's funded liabilities is 18 years.

MORTALITY

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2020 model, with a 0% weighting of 2020 data, standard smoothing (Sk7), initial adjustment of 0.5% and a long term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	22.1 years	24.4 years
Future pensioners*	23.1 years	26.1 years

* Figures assume members aged 45 as at the last formal valuation date.

COMMUTATION

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

The Charity operates a defined contribution scheme for which the charge in the year was £346k (2020: £354k). £31k was unpaid at the year-end (2020: £33k).

9 TAXATION

There was no taxation charge for the period. Taxable profits are dependent on the extent to which subsidiary company profits are distributed to the Charity by way of Gift Aid.

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

10 FIXED ASSETS					
GROUP AND CHARITY	Freehold property	Assets in the course of construction	Fixtures, fittings & equipment	Motor vehicles	Total
COST	£	£	£	£	£
At 1 April 2020	15,837,170	586,378	5,876,754	75,288	22,375,590
Additions	75,599	-	117,963	-	193,562
Transfers	564,875	(586,378)	21,503	-	-
Disposals	(125,000)	-	(1,390,657)	(17,568)	(1,533,225)
Reclassification to investments	(115,465)	-	-	-	(115,465)
At 31 March 2021	16,237,179	-	4,625,563	57,720	20,920,462
DEPRECIATION					
At 1 April 2020	3,267,506	-	4,110,279	63,997	7,441,782
Charge	294,532	-	326,364	2,657	623,553
Disposals	(32,499)	-	(1,351,122)	(17,568)	(1,401,189)
Reclassification to investments	(31,792)	-	-	-	(31,792)
At 31 March 2021	3,497,747	-	3,085,521	49,086	6,632,354
NET BOOK VALUE					
At 31 March 2021	12,739,432	-	1,540,042	8,634	14,288,108
At 31 March 2020	12,569,665	586,378	1,766,475	11,290	14,933,808

The net book value at 31 March 2021 represents fixed assets used for:

	Freehold property	Assets in the course of construction	Fixtures, fittings & equipment	Motor vehicles	Total
	£		£	£	£
DIRECT CHARITABLE ACTIVITIES					
Physical & Mental Health	11,723,716	-	1,359,420	8,634	13,091,770
Social Health & Wellbeing	998,929	-	28,752	-	1,027,681
	12,722,645	-	1,388,172	8,634	14,119,451
FUNDRAISING AND SUPPORT ACTIVITIES					
Head office & other assets	16,787	-	151,870	-	168,657
	12,739,432	-	1,540,042	8,634	14,288,108

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

10 FIXED ASSETS (continued)

The net book value at 31 March 2020 represents fixed assets used for:

	Freehold property £	Assets in the course of construction	Fixtures, fittings & equipment £	Motor vehicles £	Total £
DIRECT CHARITABLE ACTIVITIES					
Physical & Mental Health	11,360,677	564,875	1,503,603	11,290	13,440,445
Social Health & Wellbeing	1,191,748	-	34,212	-	1,225,960
	<u>12,552,425</u>	<u>564,875</u>	<u>1,537,815</u>	<u>11,290</u>	<u>14,666,405</u>
FUNDRAISING AND SUPPORT ACTIVITIES					
Head office & other assets	17,240	21,503	228,660	-	267,403
	<u>12,569,665</u>	<u>586,378</u>	<u>1,766,475</u>	<u>11,290</u>	<u>14,933,808</u>

11 FIXED ASSET INVESTMENTS

GROUP AND CHARITY

	2021 £	2020 £
Market value at 1 April 2020	12,565,229	14,885,336
Reclassification from fixed assets	83,673	-
	<u>12,648,902</u>	<u>14,885,336</u>
Disposal proceeds	-	(1,500,000)
Unrealised (loss)/gain on revaluation at 31 March 2021	3,253,502	(820,107)
	<u>15,902,404</u>	<u>12,565,229</u>
Market value at 31 March 2021	<u>15,902,404</u>	<u>12,565,229</u>
Historical cost as at 31 March 2021	<u>9,360,283</u>	<u>9,276,609</u>

All investments are listed on recognised exchanges and no individual investment exceeds 5% of the total fund.

ANALYSIS OF INVESTMENTS

	£	£
Unit trusts	14,152,404	10,990,229
Investment Property	1,750,000	1,575,000
Market value at 31 March 2021	<u>15,902,404</u>	<u>12,565,229</u>

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

12 INVESTMENTS IN GROUP COMPANIES

The Charity holds shares in two wholly owned subsidiary companies incorporated in England at a cost of £2 each. A summary of their activities and financial position is as follows:

	Turnover and other operating income £	Net profit before tax £	Net assets £
Fire Fighters Trading Limited (Sells Fire Fighters Charity branded goods and other similar merchandise as well as non-charitable trading activities held at the Charity's rehabilitation and recuperation centres.)	647,721	425,865	229,211
FSNBF Limited (Dormant)	-	-	2

13 STOCKS	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Goods for resale	59,837	-	72,969	-
Consumables	4,766	4,766	7,611	7,611
	<u>64,603</u>	<u>4,766</u>	<u>80,580</u>	<u>7,611</u>
14 DEBTORS	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Trade debtors	117,447	425	132,619	525
Other debtors	15,961	15,931	65,563	65,172
Prepayments & accrued income	1,077,874	1,071,974	1,164,277	1,154,489
Amounts owed by subsidiary undertakings	-	9,892	-	125,476
	<u>1,211,282</u>	<u>1,098,222</u>	<u>1,362,459</u>	<u>1,345,662</u>
15 CREDITORS – amounts falling due within one year	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Trade creditors	131,318	129,552	180,127	177,251
Other taxation & social security	125,865	96,908	147,565	98,738
Other creditors	92,970	92,837	54,371	52,907
Accruals and deferred income	94,390	74,602	106,115	79,375
	<u>444,543</u>	<u>393,899</u>	<u>488,178</u>	<u>408,271</u>

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

16 STATEMENT OF FUNDS – Year ended 31 March 2021

GROUP	Balance b/fwd. £	Incoming resources £	Outgoing resources £	Transfers £	Balance c/fwd. £
Restricted Funds					
Charitable activities (a)	275,676	1,293,741	(1,270,652)	(118,000)	180,765
Unrestricted Funds:					
Designated Funds					
Fixed asset fund (b)	14,933,808	-	-	(645,700)	14,288,108
Reserves policy des'n (c)	12,565,229	-	-	1,969,753	14,534,982
Strategic plan des'n (e)	2,000,000	-	-	1,529,035	3,529,035
Total Designated Funds	29,499,037	-	-	2,853,088	32,352,125
General Funds					
Free reserves	816,678	6,978,617	(4,223,169)	(2,735,088)	837,038
Pension fund surplus/(deficit)	329,000	-	114,000	-	443,000
Total General Funds	1,145,678	6,978,617	(4,109,169)	(2,735,088)	1,280,038
Total Funds	30,920,391	8,272,358	(5,379,821)	-	33,812,928

CHARITY	Balance c/fwd. £	Incoming resources £	Outgoing resources £	Transfers £	Balance c/fwd. £
Restricted Funds					
Charitable activities (a)	275,676	1,293,741	(1,270,652)	(118,000)	180,765
Unrestricted Funds:					
Designated Funds					
Fixed asset fund (b)	14,933,808	-	-	(645,700)	14,288,108
Reserves policy des'n (c)	12,565,229	-	-	1,878,722	14,443,951
Strategic plan des'n (e)	2,000,000	-	-	1,428,038	3,428,038
Total Designated Funds	29,499,037	-	-	2,661,060	32,160,097
General Funds					
Free reserves	688,466	6,656,162	(4,001,711)	(2,543,060)	799,857
Pension fund surplus/(deficit)	329,000	-	114,000	-	443,000
Total General Funds	1,017,466	6,656,162	(3,887,711)	(2,543,060)	1,242,857
Total Funds	30,792,179	7,949,903	(5,158,363)	-	33,583,719

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

16 STATEMENT OF FUNDS – Year ended 31 March 2020

GROUP	Balance b/fwd. £	Incoming resources £	Outgoing resources gains and losses £	Transfers £	Balance c/fwd. £
Restricted Funds					
Charitable activities (a)	19,467	1,230,489	(180,793)	(793,487)	275,676
Unrestricted Funds:					
Designated Funds					
Fixed asset fund (b)	14,074,744	-	-	859,064	14,933,808
Reserves policy des'n (c)	14,885,336	-	-	(2,320,107)	12,565,229
Property designation (d)	349,686	-	-	(349,686)	-
Strategic plan des'n (e)	-	-	-	2,000,000	2,000,000
Total Designated Funds	29,309,766	-	-	189,271	29,499,037
General Funds					
Free reserves	2,073,388	8,739,847	(10,600,773)	604,216	816,678
Pension fund surplus/(deficit)	(5,000)	-	334,000	-	329,000
Total General Funds	2,068,388	8,739,847	(10,266,773)	604,216	1,145,678
Total Funds	31,397,621	9,970,336	(10,447,566)	-	30,920,391
CHARITY	Restated Balance b/fwd. £	Incoming resources £	Outgoing resources £	Transfers £	Balance c/fwd. £
Restricted Funds					
Charitable activities (a)	19,467	1,230,489	(180,793)	(793,487)	275,676
Unrestricted Funds:					
Designated Funds					
Fixed asset fund (b)	14,074,744	-	-	859,064	14,933,808
Reserves policy des'n (c)	14,885,336	-	-	(2,320,107)	12,565,229
Property designation (d)	349,686	-	-	(349,686)	-
Strategic plan des'n (e)	-	-	-	2,000,000	2,000,000
Total Designated Funds	29,309,766	-	-	189,271	29,499,037
General Funds					
Free reserves	1,891,161	8,224,429	(10,031,340)	604,216	688,466
Pension fund surplus/(deficit)	(5,000)	-	334,000	-	329,000
Total General Funds	1,886,161	8,224,429	(9,697,340)	604,216	1,017,466
Total Funds	31,215,394	9,454,918	(9,878,133)	-	30,792,179

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

STATEMENT OF FUNDS (continued)

- (a) This fund represents other gifts and grants that are to be spent in line with the wishes of the donors, the restrictions on which may include supporting beneficiaries from a defined geographical area or the purchase of equipment. The amounts expended on capital items are transferred to the fixed asset fund. The intention is to spend these funds within the next 12 months.
- (b) Fixed asset fund represents the net book value of fixed assets. Transfers represent fixed asset activity in other funds held.
- (c) The Reserves Policy designated fund reflects the Board's requirement to hold in reserve the minimum of either 12 months' expenditure or the value of investments held to support the income target for the year ahead.
- (d) The property designated fund was fully utilised in 2019-20.
- (e) The Board has designated a further £2m in 2020-21 to support expected future losses linked to the Strategic Plan. The operating loss for the year has been set against this fund.

17 ANALYSIS OF NET ASSETS BY FUND – As at 31 March 2021

GROUP	Restricted Funds £	Designated Funds £	General Funds £	2021 Total £
Tangible Fixed Assets	-	14,288,108	-	14,288,108
Fixed Asset Investments	-	15,902,404	-	15,902,404
Net Current Assets	180,765	2,161,613	837,038	3,179,416
Long term assets (includes pension asset)	-	-	443,000	443,000
Net Assets	<u>180,765</u>	<u>32,352,125</u>	<u>1,280,038</u>	<u>33,812,928</u>

CHARITY	Restricted Funds £	Designated Funds £	General Funds £	2021 Total £
Tangible Fixed Assets	-	14,288,108	-	14,288,108
Fixed Asset Investments	-	15,902,404	4	15,902,408
Net Current Assets	180,765	1,969,585	799,853	2,950,203
Long term assets (includes pension asset)	-	-	443,000	443,000
Net Assets	<u>180,765</u>	<u>32,160,097</u>	<u>1,242,857</u>	<u>33,583,719</u>

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

17 ANALYSIS OF NET ASSETS BY FUND – As at 31 March 2020

GROUP	Restricted Funds £	Designated Funds £	General Funds £	2020 Total £
Tangible Fixed Assets	-	14,933,808	-	14,933,808
Fixed Asset Investments	-	12,565,229	-	12,565,229
Net Current Assets	275,676	2,000,000	816,678	3,092,354
Long term liabilities (includes pension liability)	-	-	329,000	329,000
Net Assets	<u>275,676</u>	<u>29,499,037</u>	<u>1,145,678</u>	<u>30,920,391</u>

CHARITY	Restricted Funds £	Designated Funds £	General Funds £	2020 Total £
Tangible Fixed Assets	-	14,933,808	-	14,933,808
Fixed Asset Investments	-	12,565,229	4	12,565,233
Net Current Assets	275,676	2,000,000	688,462	2,964,138
Long term liabilities (includes pension liability)	-	-	329,000	329,000
Net Assets	<u>275,676</u>	<u>29,499,037</u>	<u>1,017,466</u>	<u>30,792,179</u>

18 DEFERRED INCOME

	As at 1 April 2020 £	Released in the Year £	Deferred in the Year £	As at 31 March 2021 £
Donations	598	(598)	-	-
Hotel Ledger	23,615	(23,615)	12,376	12,376
Lottery	31,755	(31,755)	34,299	34,299
Total	<u>55,968</u>	<u>(55,698)</u>	<u>46,675</u>	<u>46,675</u>

Donations deferred income relates to income overpaid in the current accounting period to be set off in the following financial year. The previous year deferred income was released in 2020-21.

Hotel Ledger deferred income relates to rental accommodation paid for in advance, which will be released when the rental occurs.

Lottery deferred income relates to payments made in advance of future lottery draws, which will be released when those draws occur.

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2021

19 COMMITMENTS – GROUP AND CHARITY

As at
31 March
2021
£

As at
31 March
2020
£

OPERATING LEASES – LAND AND BUILDINGS

At 31 March 2021 the Group was committed to total payments in respect of operating leases which expire:

After more than five years	-	-
Between two and five years	42,790	77,022
Within 12 months	102,696	102,696

OPERATING LEASES – OTHER

Between two and five years	5,053	11,790
Within 12 months	6,737	6,737

20 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Net income /(expenditure)	2,782,537	2,681,540	(803,230)	(749,215)
Losses/(gains) on investments	(3,253,502)	(3,253,502)	820,107	820,107
Dividends from investments	(355,619)	(355,619)	(356,477)	(356,477)
Interest received	(3,971)	(3,526)	(3,840)	(3,245)
Gift Aid payment from subsidiary	-	(324,868)	-	(876,132)
Movement in defined benefit pension	(4,000)	(4,000)	(8,000)	(8,000)
	(834,555)	(1,259,975)	(351,440)	(1,172,962)
Depreciation	623,553	623,553	617,973	617,973
Decrease/(increase) in stocks	15,977	2,845	30,743	1,883
Decrease/(increase) in debtors	151,177	247,440	304,994	217,958
(Decrease)/increase in creditors	(43,635)	(14,372)	(129,240)	(111,209)
Loss/(profit) on the sale of fixed assets	129,186	129,186	(7,950)	(7,950)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	41,703	(271,323)	465,080	(454,307)

Fire Fighters Charity
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Year ended 31 March 2021

21 ANALYSIS OF CHANGES IN NET CASH

GROUP	1 April 2020 £	Cash flows £	31 March 2021 £
Cash at bank and in hand	2,137,493	210,581	2,348,074
	<u>2,137,493</u>	<u>210,581</u>	<u>2,348,074</u>
	<u><u>2,137,493</u></u>	<u><u>210,581</u></u>	<u><u>2,348,074</u></u>
CHARITY	1 April 2020 £	Cash flows £	31 March 2021 £
Cash at bank and in hand	2,019,136	221,978	2,241,114
	<u>2,019,136</u>	<u>221,978</u>	<u>2,241,114</u>
	<u><u>2,019,136</u></u>	<u><u>221,978</u></u>	<u><u>2,241,114</u></u>

22 CAPITAL COMMITMENTS

At 31 March 2021 the Charity had capital commitments totalling £14,169. The amount outstanding at 31 March 2020 was £173,009.

23 RELATED PARTY TRANSACTIONS

The Charity has taken advantage of the exemption in Financial Reporting Standard 102 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared.

Donations totalling £281 have been received from 4 trustees (2020: £614 - 7 trustees).