

REGISTERED COMPANY NUMBER: 05523632 (England and Wales)
REGISTERED CHARITY NUMBER: 1112260

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2020
for
Operation Christmas Box

Maximus Accountancy Services Limited
47 Kensington Road
Chichester
West Sussex
PO19 7XS

Operation Christmas Box

Contents of the Financial Statements for the Year Ended 31 December 2020

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7 to 8
Notes to the Financial Statements	9 to 14

Operation Christmas Box

Reference and Administrative Details
for the Year Ended 31 December 2020

TRUSTEES

Mr A Sims
Mrs S Little
Wing Commander (Retd) C Wookey
Colonel (Retd) S R Sharman

REGISTERED OFFICE

The Teasel Barn
Belluton
Pensford
Bristol
BS39 4JJ

**REGISTERED COMPANY
NUMBER**

05523632 (England and Wales)

**REGISTERED CHARITY
NUMBER**

1112260

INDEPENDENT EXAMINER

Maximus Accountancy Services Limited
47 Kensington Road
Chichester
West Sussex
PO19 7XS

Report of the Trustees
for the Year Ended 31 December 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects for which the charity was established are to help improve the morale of the UK Armed Forces, through charitable means, by promoting the well-being and esprit de corps of all those on military service. This is achieved, primarily, by providing Christmas Boxes to all unaccompanied personnel serving overseas, who are away from their families and loved ones on Christmas Day each year.

The charity cannot operate without assistance from the Ministry of Defence (MOD) which provides estimates of numbers likely to be away. It also provides senior military officers to sit on the MOD Christmas Box Committee and they give their advice on items and the suitability of the Christmas Box contents. The MOD assists with the Christmas Box distribution using irreducible spare capacity in their supply chain in the early autumn each year.

Public benefit

The trustees confirm that when reviewing the charity's aims and objectives, and in the planning of future activities, they have consulted the guidance in the Charity Commission's Guidance on Public Benefit.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The charity continues to deliver annually against its main task of providing a morale boosting gift box to all unaccompanied UK military personnel serving overseas on Christmas Day.

Following the name change to Operation Christmas Box at the beginning of 2019, the trustees believe that the name is becoming more well known within the Armed Forces but there is still much work to do.

The 2020 Christmas Box contents were confirmed at the MOD Christmas Box Committee meeting held during February. The trustees were delighted when the Secretary of State for Defence kindly supplied some appropriate words for the inside of the 2020 Christmas card. Due to the Covid restrictions that came into force later the following month, no more MOD Christmas Box Committee meetings were held in 2020. The charity distributed 9,700 boxes and, as in previous years, had excellent feedback from a number of commanding officers who commented favourably on the positive boost to morale that the boxes provided on Christmas Day and beyond.

Vestey Foods UK Ltd (Special Contracts Division) continued to supply the boxes, providing an excellent service. The quality and choice of contents has improved immeasurably, interpreting most ably the suggestions provided at the previous MOD Christmas Box Committee meetings. Their expertise has greatly added to the experience for those away from their families overseas on Christmas Day.

Fundraising activities

Fundraising in 2020 again proved particularly challenging, and it was hampered by the Covid restrictions that came into force on 23 March. Despite the still large numbers of Armed Forces unaccompanied personnel overseas and away from their families and friends at Christmas, the reduced media coverage of MOD operations has hindered fundraising. However, the charity retained the three sponsors from the previous year. The Royal British Legion declined to support the charity in 2020 but they have rejoined for the 2021 Christmas Box.

Social Media

Following the employment of a former Royal Navy sailor to act as a consultant, on a part time basis, as the Head of Social Media and Sponsorship Generator, we had an impressive array of social media comments and images from the recipients of the Christmas Box around the world. This confirmed that the charity delivers a meaningful and well received product on time around the world. With that expertise, we have been able to reach out to greater numbers of service personnel and the general public on a number of different digital platforms.

ACHIEVEMENT AND PERFORMANCE

Thanks

The trustees would like to reiterate their thanks to both the Ministry of Defence and Vestey Foods UK Ltd.

FINANCIAL REVIEW

Financial position

During the year the charity received donations amounting to £27,065 (2019: £46,096). The direct cost of Christmas boxes for Christmas 2020 was £154,400 (2019: £166,907), and the cost of generating funds amounted to £10,854 (2019: £1,005).

The overall deficit for the year, after taking into account other income, realised and unrealised gains and losses on investments, and the minimal support and governance costs, amounted to £174,230 (2019: deficit of £90,290), none of which is restricted. At the year end the unrestricted reserves amounted to £294,069 (2019: £463,891) and the restricted reserves amounted to nil (2019: £4,408).

Vexatious litigation

During May 2019, Eversheds Sutherland Legal Services, the charity's solicitors, received a letter from Mr and Mrs Briggs. Following the trustees' discussion, they instructed Eversheds Sutherland Legal Services to send an acknowledgement which was sent by email in June 2019. To date, nothing more has been heard from them since then.

Reserves and investments

The charity operates on a year by year basis with purchase costs known in advance. The trustees are required to pay for the Christmas Boxes in advance of order (i.e. 9 months before delivery). They have always considered that they should have reserves to cover the average cost of two years of boxes at a realistic level (i.e 15,000 boxes per year at £16 per box) of around £480,000. The trustees have achieved this in previous years but they are now struggling to maintain this level of income.

As the interest offered by banks continues to be almost non-existent, the trustees agreed to maintain the charity's current investment strategy which has so far proved successful.

FUTURE PLANS

Whilst new sponsorship this year, as last, has proved elusive, the charity's Patron offered assistance by using his many contacts within the defence industry to sponsor the costs of the 2020 Boxes. To ameliorate fund raising, the trustees revisited linking up with another service charity. However, we were unable to find a suitable match.

Despite the distribution of well over 250,000 Christmas Boxes since the charity's incorporation 16 years ago, the charity is still relatively unknown to many service personnel. The Head of Social Media and Sponsorship Generation is helping to widen the charity's profile.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The charity was incorporated on 1 August 2005 and registered as a charity on 24 November 2005. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. None of the trustees has any beneficial interest in the charity. In the event of the charity being wound up the members are required to contribute an amount not exceeding £1.

The charity was originally known as UK4U-Thanks and changed its name to Operation Christmas Box with effect from 28 February 2018 as this is deemed more representative of the charity's raison d'être.

Recruitment and appointment of new trustees

The day to day management of the affairs of the charity is undertaken by the trustees.

The trustees were approached to act as trustees due to their connection with the military. Given the nature of the charity's activities no formal induction or training is considered to be required. The trustees are aware of their responsibilities and take advice from the Charity Commission and professional advisers as the need arises.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Our Patron

James Gray, MP for North Wiltshire since 1997, accepted the trustees' invitation to become Patron of Operation Christmas Box in 2017. James is very sympathetic to HM Forces having had a short military career (1977-84) in the Honourable Artillery Company (HAC).

He is very enthusiastic about the work that the charity does. He has already shown a hands-on approach by arranging and hosting a dinner in the Houses of Parliament to which he invited potential future sponsors.

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

Approved by order of the board of trustees on 23 September 2021 and signed on its behalf by:

Wing Commander (Retd) C Wookey - Trustee

Independent examiner's report to the trustees of Operation Christmas Box ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

Hilary Julian BA FCA DChA
Maximus Accountancy Services Limited
47 Kensington Road
Chichester
West Sussex
PO19 7XS

23 September 2021

Operation Christmas Box

Statement of Financial Activities

(Incorporating an Income and Expenditure Account)
for the Year Ended 31 December 2020

	Notes	Unrestricted funds £	Restricted fund £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	27,065	-	27,065	46,096
Investment income	3	6,123	-	6,123	17,354
Total		33,188	-	33,188	63,450
 EXPENDITURE ON					
Raising funds	4	10,854	-	10,854	1,005
Charitable activities	5				
Christmas Boxes		157,116	-	157,116	170,135
Total		167,970	-	167,970	171,140
Net gains/(losses) on investments		(39,448)	-	(39,448)	17,400
NET INCOME/(EXPENDITURE)		(174,230)	-	(174,230)	(90,290)
Transfers between funds	12	4,408	(4,408)	-	-
Net movement in funds		(169,822)	(4,408)	(174,230)	(90,290)
 RECONCILIATION OF FUNDS					
Total funds brought forward		463,891	4,408	468,299	558,589
 TOTAL FUNDS CARRIED FORWARD		294,069	-	294,069	468,299

The notes form part of these financial statements

Balance Sheet
31 December 2020

	Notes	Unrestricted funds £	Restricted fund £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Investments	9	144,223	-	144,223	279,496
CURRENT ASSETS					
Debtors	10	43,707	-	43,707	35,800
Cash at bank		107,767	-	107,767	154,908
		<u>151,474</u>	<u>-</u>	<u>151,474</u>	<u>190,708</u>
CREDITORS					
Amounts falling due within one year	11	(1,628)	-	(1,628)	(1,905)
NET CURRENT ASSETS		<u>149,846</u>	<u>-</u>	<u>149,846</u>	<u>188,803</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>294,069</u>	<u>-</u>	<u>294,069</u>	<u>468,299</u>
NET ASSETS		<u>294,069</u>	<u>-</u>	<u>294,069</u>	<u>468,299</u>
FUNDS	12				
Unrestricted funds:					
General fund				301,822	453,390
Fair value reserve				(7,753)	10,501
				<u>294,069</u>	<u>463,891</u>
Restricted funds				<u>-</u>	<u>4,408</u>
TOTAL FUNDS				<u>294,069</u>	<u>468,299</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

Balance Sheet - continued

31 December 2020

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

The financial statements were approved by the Board of Trustees and authorised for issue on 23 September 2021 and were signed on its behalf by:

Wing Commander (Retd) C Wookey - Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at their fair value, in accordance with the SORP.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from sponsorship of the Christmas boxes is recognised in the period to which it relates.

Donations are recognised when received. Donations in the form of gifts in kind are recognised as income when distributed with an equivalent amount being included as expenditure. Gifts in kind are valued at an estimate of the market value the charity would have to pay for an equivalent item.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable expenditure relates to the cost of the Christmas boxes and related support costs. Support costs includes expenditure on management and administration of the charity including trustees' expenses and the independent examiner's fees.

The cost of raising funds includes expenditure on social media, fundraising activities and investment management costs.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value with changes recognised in net gains/(losses) in the SoFA if the shares are publicly traded or the fair value can otherwise be measured reliably.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised as expenditure.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	27,065	46,096

Donations for 2019 include £8,099 in respect of donated Christmas Box contents.

3. INVESTMENT INCOME

	2020	2019
	£	£
Income from listed investments	3,316	10,103
Income from unlisted investments	2,584	6,292
Bank interest	223	959
	6,123	17,354

4. RAISING FUNDS

Raising donations and legacies

	2020	2019
	£	£
Outsourced social media and fundraising support	10,000	-
Website costs	472	228
	10,472	228

Investment management costs

	2020	2019
	£	£
Portfolio management	382	777
	10,854	1,005

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Christmas Boxes	154,400	2,716	157,116

6. SUPPORT COSTS

	Charity running costs £
Christmas Boxes	2,716

Support costs include £500 payable to the independent examiner in respect of the independent examination (2019: £500) and £900 (2019: £900) for other services.

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

One trustee was reimbursed a total of £198 for travel and subsistence expenses incurred whilst carrying out their duties (2019 one trustee was reimbursed a total of £180).

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	46,096	-	46,096
Investment income	17,354	-	17,354
Total	63,450	-	63,450
EXPENDITURE ON			
Raising funds	1,005	-	1,005
Charitable activities			
Christmas Boxes	170,135	-	170,135
Total	171,140	-	171,140
Net gains on investments	17,400	-	17,400
NET INCOME/(EXPENDITURE)	(90,290)	-	(90,290)
RECONCILIATION OF FUNDS			
Total funds brought forward	554,181	4,408	558,589
TOTAL FUNDS CARRIED FORWARD	463,891	4,408	468,299

9. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 January 2020	207,619	71,877	279,496
Additions	238,044	2,455	240,499
Disposals	(292,624)	(43,700)	(336,324)
Revaluations	(36,335)	(3,113)	(39,448)
	<hr/>	<hr/>	<hr/>
At 31 December 2020	116,704	27,519	144,223
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 December 2020	116,704	27,519	144,223
	<hr/>	<hr/>	<hr/>
At 31 December 2019	207,619	71,877	279,496
	<hr/>	<hr/>	<hr/>

There were no investment assets outside the UK.

Listed investments are valued at their published value at the balance sheet date. Unlisted investments are valued at the recoverable amount of the loan portfolio at the balance sheet date.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	12,680	-
Other debtors	31,027	35,800
	<hr/>	<hr/>
	43,707	35,800
	<hr/>	<hr/>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other creditors	1,628	1,905
	<hr/>	<hr/>

12. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	453,390	(174,230)	22,662	301,822
Fair value reserve	10,501	-	(18,254)	(7,753)
	<hr/>	<hr/>	<hr/>	<hr/>
	463,891	(174,230)	4,408	294,069
Restricted funds				
Armed Forces Covenant (LIBOR) Fund	4,408	-	(4,408)	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	468,299	(174,230)	-	294,069
	<hr/>	<hr/>	<hr/>	<hr/>

12. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	33,188	(167,970)	(39,448)	(174,230)
TOTAL FUNDS	<u>33,188</u>	<u>(167,970)</u>	<u>(39,448)</u>	<u>(174,230)</u>

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
General fund	626,885	(90,290)	(83,205)	453,390
Fair value reserve	(72,704)	-	83,205	10,501
	<u>554,181</u>	<u>(90,290)</u>	<u>-</u>	<u>463,891</u>
Restricted funds				
Armed Forces Covenant (LIBOR) Fund	4,408	-	-	4,408
TOTAL FUNDS	<u>558,589</u>	<u>(90,290)</u>	<u>-</u>	<u>468,299</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	63,450	(171,140)	17,400	(90,290)
TOTAL FUNDS	<u>63,450</u>	<u>(171,140)</u>	<u>17,400</u>	<u>(90,290)</u>

The restricted fund above consisted of the unexpended portion of a grant from the Armed Forces Covenant (LIBOR) Fund. The purpose of the grant application was to fund the cost of a part-time fundraiser for a period of three years. The balance of the fund was transferred to unrestricted funds during the year to offset the cost of outsourced fundraising support during the year.

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020.