

Company registration number: 07562754

Charity registration number: 1140833

# **BFI TRUST**

(A charitable company)

## **Trustees' Report and Financial Statements for the Year Ended 31 March 2023**

### **BREBNNERS**

Chartered Accountants & Statutory Auditor  
130 Shaftesbury Avenue  
London  
W1D 5AR

BFI TRUST

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BFI TRUST

Company Information

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Trustees	Eric Fellner CBE David Kustow OBE Trevor Mawby Caroline Michel Patrick Butler
Secretary	Iain Thomson
Charity Registration Number	1140833
Company Registration Number	07562754
Registered Office	The charity is incorporated in England and Wales. 21 Stephen Street London W1T 1LN
Auditor	Brebners Chartered Accountants & Statutory Auditor 130 Shaftesbury Avenue London W1D 5AR

# BFI TRUST

## Trustees' Report

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The Trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 March 2023.

### **Structure, governance and management**

#### ***Constitution***

The BFI Trust (Trust) was incorporated on 14 March 2011 as a charitable company limited by guarantee (charity registration number 1140833, company registration number 07562754), governed by its Memorandum and Articles of Association. Its registered office is situated at 21 Stephen Street, London W1T 1LN.

#### ***Organisational structure***

The Trust is managed by a Board of Trustees, who are also Directors of the company.

The power to appoint new Trustees is exercisable by surviving or continuing Trustees. New Trustees are fully briefed on the objectives of the Trust and their role as Trustees. This is reinforced by training, as required, to equip them to effectively discharge their duties.

### **Trustees / Directors**

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	Eric Fellner CBE
	David Kustow OBE
	Trevor Mawby
	Caroline Michel
	Patrick Butler

Secretary:	Iain Thomson
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### **Bankers and professional advisers**

Investment managers:	Stonehage Fleming 6 St James's Square London SW1Y 4JU
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Auditor:	Brebners Chartered Accountants & Statutory Auditor 130 Shaftesbury Avenue London W1D 5AR
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# BFI TRUST

## Trustees' Report

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### **Objectives and activities**

The objects of the Trust, for the benefit of the public, are to:-

- (a) encourage the development of the arts of film, television and the moving image throughout the United Kingdom of Great Britain and Northern Ireland;
- (b) promote the arts of film, television and the moving image use as a record of contemporary life and manners;
- (c) promote education about film, television and the moving image generally, and their impact on society;
- (d) promote access to and appreciation of the widest possible range of British and world cinema and to establish, care for and develop collections reflecting the moving image history and heritage of the United Kingdom of Great Britain and Northern Ireland; and
- (e) in particular to support the work of the British Film Institute (BFI) (registered charity 287780).

These objectives are currently met through a strategy of supporting the BFI in its work. The Trustees remain open to other opportunities to meet these objectives.

### **Activities and results for the year**

In accordance with the requirements of Financial Reporting Standard 102 the Trust reflects its freehold land and buildings at fair value. In respect of the year ended 31 March 2023 the value of fixed assets increased by £1.4m (2022: £1.2m decrease).

The results for the year, as set out on page 9, show an operating deficit of £8,088,665 (2022: £58,116) before other recognised gains / (losses) on the revaluation of fixed assets, with a gain of £1,370,000 (2022: loss of £1,166,581). This result is reflected in decreased reserves of £58,309,371 (2022: £65,028,036) of which £nil (2022: £342,500) is restricted. Much of the reserves are tied up in the value of fixed assets, but the Trust has free reserves (net unrestricted current assets) of £2,639,371 (2022: £10,385,536).

The Trustees consider the actual performance in the year compared to the Trust objectives to be satisfactory.

The Trust owns freehold properties which the BFI occupies on 10 - 30 year leases at, or near, open market value from the Trust. The Trust made grants to the BFI during the year totalling £9,984,000 (2022: £1,835,000) to support its charitable activities.

The grant making policy consists of the making available of the maximum amount of funds while retaining reserves for any major projects and capacity building.

In the year, significant charitable activities included the support of the BFI London Film Festival, Heritage 2022 project and capital improvements, all of which served to further the objectives of the charity.

### **Plans for Future Periods**

The key objective for the coming year will be to consider grant applications.

### **Public Benefit**

In setting the Trust's objectives and planning its activities the Trustees have complied with their duties under the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. The Trustees consider that the objects of the Trust, the activities outlined in this report and plans for future periods demonstrate public benefit.

### **Reserves**

It is the policy of the Trust to maintain a level of unrestricted funds as free reserves. These provide funds to contribute towards anticipated costs for the coming year, working capital requirements and to respond to project opportunities.

In particular, the Trustees are keen to support the capital investment requirements of the BFI during this period of constraints on government expenditure and a challenging environment for private donations.

# BFI TRUST

## Trustees' Report

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### ***Risk Management***

The Trustees have adopted a low risk investment strategy for the funds held, which is kept under constant review. Funds were held with major banks on medium-term deposits to maximise income and flexibility against the risk appetite. Since the year end the portfolio has been diversified to include government and other fixed income bonds and some longer term equity funds. The Trustees continue to monitor risk appetite against potential investment opportunities.

The risk to property is managed through the use of full repairing and insuring leases with rental at market rates. The key risk to funds is managed by diversifying investments across major institutions.

### ***Going concern***

The Trustees consider that the demand for the Trust's services will continue. The Trustees continue to ensure that the risks associated with the Trust are minimised. This includes receiving assurances from our tenants regarding their ability to continue to meet their rental payments, supported by their plans and financial forecasts. Given this, the Trust's cash reserves at 31 March 2023 and limited overhead and working capital requirements, the Trustees have a reasonable expectation that the Trust has adequate resources to continue for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing their report and financial statements.

### ***Trustees' indemnities***

The Trust has purchased insurance to indemnify the Trustees against the consequences of any neglect or default on their part. This includes cover for Trustees and Officers of the Trust and was in place during the year and at the date of this report.

# BFI TRUST

## Trustees' Report

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### Statement of Trustees' Responsibilities

The Trustees (who are also the directors of BFI Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Disclosure of information to auditor

Each member has taken steps that they ought to have taken as a member in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The Trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the Trustees of the charity on <sup>21-Dec-23</sup>..... and signed on its behalf by:

*Patrick Butler*

.....  
Patrick Butler  
Trustee

# BFI TRUST

## Independent Auditor's Report to the Members of BFI Trust

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### Opinion

We have audited the financial statements of BFI Trust (the 'charity') for the year ended 31 March 2023, which comprise the Statement of Financial Activities, Statement of Financial Position, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 Trustees' 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, 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 matter 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.



# **BFI TRUST**

## **Independent Auditor's Report to the Members of BFI Trust**

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

In the light of our knowledge and understanding of the charity 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 5), 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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:

# BFI TRUST

## Independent Auditor's Report to the Members of BFI Trust

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Based on our understanding of the charity and the industry in which it operates, we determined that the principal risks of non-compliance with laws and regulations related to the reporting framework (FRS 102 and the Companies Act 2006), UK corporate taxation laws, health and safety legislation, employment law, data protection legislation, EU working time directives and minimum wage legislation. These risks were communicated to our audit team and we remained alert to any indications of non-compliance throughout our audit.

We understood how the charity is complying with relevant legislation by making enquiries of management and reviewing legal correspondence for indications of non-compliance. We also considered the results of our audit procedures and to what extent these corroborate this understanding and assessed the susceptibility of the company's financial statements to material misstatement. This included consideration of how fraud might occur and evaluation of management's incentives and opportunities for fraudulent manipulation of the financial statements.

We designed our audit procedures to identify any non-compliance with laws and regulations. Such procedures included, but were not limited to, inspection of any regulatory or legal correspondence; challenging assumptions and judgements made by management; identifying and testing journal entries with a focus on large or unusual transactions as determined based on our understanding of the business; and identifying and assessing the effectiveness of controls in place to prevent and detect fraud.

Owing to the inherent limitations of an audit, there remains a risk that a material misstatement may not have been detected, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance with laws and regulations and cannot be expected to detect all instances of non-compliance.

### 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. Our audit work has been undertaken so that we might state to the charity's Trustees 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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Brebners*

.....  
Martin Widdowson (Senior Statutory Auditor)  
For and on behalf of Brebners, Statutory Auditor

130 Shaftesbury Avenue  
London  
W1D 5AR

Date: 21-Dec-23  
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# BFI TRUST

## Statement of Financial Activities for the Year Ended 31 March 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
<b>Income</b>	<b>Note</b>				
Voluntary income - Grants & Donations		-	-	-	-
Investment income	3	<u>1,930,955</u>	<u>-</u>	<u>1,930,955</u>	<u>1,848,576</u>
Total income		<u>1,930,955</u>	<u>-</u>	<u>1,930,955</u>	<u>1,848,576</u>
<b>Expenditure on</b>					
Charitable activities	5	<u>(9,677,120)</u>	<u>(342,500)</u>	<u>(10,019,620)</u>	<u>(1,906,692)</u>
Total expenditure		<u>(9,677,120)</u>	<u>(342,500)</u>	<u>(10,019,620)</u>	<u>(1,906,692)</u>
<b>Net expenditure before other recognised gains and losses</b>		(7,746,165)	(342,500)	(8,088,665)	(58,116)
<b>Other recognised gains and losses</b>					
Fair value adjustment		<u>1,370,000</u>	<u>-</u>	<u>1,370,000</u>	<u>(1,166,581)</u>
<b>Net movement in funds</b>		<b>(6,376,165)</b>	<b>(342,500)</b>	<b>(6,718,665)</b>	<b>(1,224,697)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>64,685,536</u>	<u>342,500</u>	<u>65,028,036</u>	<u>66,252,733</u>
<b>Total funds carried forward</b>	<b>10</b>	<b><u>58,309,371</u></b>	<b><u>-</u></b>	<b><u>58,309,371</u></b>	<b><u>65,028,036</u></b>

All gains and losses recognised in the year are included in this Statements of Financial Activities and all of the charity's activities derive from continuing operations during the above two periods.

**BFI TRUST****(Registration number: 07562754)****Statement of Financial Position as at 31 March 2023**

	<b>Note</b>	<b>2023 £</b>	<b>2022 £</b>
<b>Fixed assets</b>			
Tangible assets	7	55,670,000	54,300,000
<b>Current assets</b>			
Debtors	8	-	4,607
Cash at bank and in hand		<u>12,401,186</u>	<u>14,157,499</u>
		12,401,186	14,162,106
<b>Creditors: Amounts falling due within one year</b>	9	<u>(9,761,815)</u>	<u>(3,434,070)</u>
<b>Net current assets</b>		<u><b>2,639,371</b></u>	<u><b>10,728,036</b></u>
<b>Total assets less current liabilities</b>		<u><b>58,309,371</b></u>	<u><b>65,028,036</b></u>
<b>Net assets</b>		<u><u><b>58,309,371</b></u></u>	<u><u><b>65,028,036</b></u></u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		<u>-</u>	<u>342,500</u>
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>58,309,371</u>	<u>64,685,536</u>
<b>Total funds</b>	<b>10</b>	<u><u><b>58,309,371</b></u></u>	<u><u><b>65,028,036</b></u></u>

In respect of the year ended 31 March 2023 although the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies as the company is a charity, it is subject to audit under the Charities Act 2011.

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies. The accompanying notes form an integral part of these financial statements.

The financial statements on pages 9 to 18 for the company, registration number 07562754, were approved by the Trustees, and authorised for issue on <sup>21-Dec-23</sup> and signed on their behalf by:

*Patrick Butler*

Patrick Butler  
Trustee

**BFI TRUST****Statement of Cash Flows for the Year Ended 31 March 2023**

	<b>Note</b>	<b>Unrestricted 2023 £</b>	<b>Restricted 2023 £</b>	<b>2023 £</b>	<b>2022 £</b>
<b>Cash flows from operating activities</b>					
Net movement in funds		(7,746,165)	(342,500)	(8,088,665)	(58,116)
Less interest receivable	3	(67,475)	-	(67,475)	(8,969)
Decrease/(increase) in debtors	8	4,607	-	4,607	(4,607)
Increase in creditors	9	<u>6,327,745</u>	<u>-</u>	<u>6,327,745</u>	<u>685,171</u>
<b>Net cash flows from operating activities</b>		<b>(1,481,288)</b>	<b>(342,500)</b>	<b>(1,823,788)</b>	<b>613,479</b>
<b>Cash flows from investing activities</b>					
Interest received	3	<u>67,475</u>	<u>-</u>	<u>67,475</u>	<u>8,969</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,413,813)</b>	<b>(342,500)</b>	<b>(1,756,313)</b>	<b>622,448</b>
Cash and cash equivalents at 1 April		<u>13,814,999</u>	<u>342,500</u>	<u>14,157,499</u>	<u>13,535,051</u>
<b>Cash and cash equivalents at 31 March</b>		<b><u>12,401,186</u></b>	<b><u>-</u></b>	<b><u>12,401,186</u></b>	<b><u>14,157,499</u></b>

All of the cash flows are derived from continuing operations during the above two periods.

# BFI TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2023

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### 1 CHARITY STATUS

The charity is limited by share capital, incorporated in England and Wales.

The address of its registered office is:

21 Stephen Street  
London  
W1T 1LN

### 2 ACCOUNTING POLICIES

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Statement of compliance

The Trust is a public benefit entity and the financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

#### Basis of preparation

BFI Trust meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared using the historical cost convention except any items disclosed in the accounting policies as being shown at fair value and are presented in sterling, which is the functional currency of the entity.

#### Going concern

The Trust had net assets at 31 March 2023 amounting to £58,309,371 including cash at bank of £12,401,186.

The Trustees have considered impact of the current economic climate on our tenant the BFI, and its ability to continue to meet the rental obligations under the leases. The Trustees will take early action to reduce charitable activities if necessary together with the use of existing cash at bank resources in the unlikely event of those obligations not being met.

In consideration of the above the Trustees have prepared cash flow forecasts to take account of the estimation of the effect of the general economic downturn on the Trust together with the steps available, which demonstrate that the Trust has sufficient working capital for the foreseeable future, at least for a period of 12 months from the approval of these financial statements. As such the Trustees have a reasonable expectation that the Trust has adequate resources to continue operating for the foreseeable future. Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

# BFI TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2023

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### **Income**

Gifts in Kind, grants and donations are only included in the Statement of Financial Activities when the Trust is legally entitled to the income, entitlement is probable and the amount can be quantified with reasonable accuracy.

Investment income is primarily rental income and is accounted for in the period for which the rental is due. Where income is received in advance of its recognition, it is deferred and included in creditors: amounts falling due within one year. Where entitlement occurs before income being received, the income is accrued.

### ***Deferred income***

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

### **Expenditure**

All expenditure on charitable activities was incurred to promote and encourage the arts of film, television and the moving image, in accordance with our charitable objects. Governance costs are the costs associated with the governance arrangements, including audit fees.

### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

### ***Grant provisions***

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

### **Tangible fixed assets, depreciation and impairment**

Expenditure on tangible fixed assets costing £5,000 or more and with a useful economic life of at least 3 years is capitalised and included at cost less depreciation. The carrying value of fixed assets is reviewed at least annually. Where the carrying value is considered to be greater than the value of the asset to the activities of the Trust, an impairment charge will be made in the year to reflect that loss in value.

Investment property is carried at fair value as determined annually, with changes in fair value recognised in the Statement of Financial Activities.

### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees meetings and reimbursed expenses.

### **Grants**

Whilst grants are typically accounted for in full upon receipt, where related to performance and specific deliverables, grants are accounted for as the Trust earns the right to consideration by its performance. Where income is received in advance of its recognition, it is deferred and included in creditors: amounts falling due within one year. Where entitlement occurs before income being received, the income is accrued.

Grants payable are recognised when formally approved by the Trustees and shown as resources expended within the Statement of Financial Activities. In most circumstances this will be the same as the year in which the funded activities take place. However, in some cases grant expenditure is recognised in the accounts where the funded activity is due to take place in future years. Any amounts unpaid from grants at the year end are shown in the balance sheet as creditors.

# BFI TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2023

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### Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### Fund accounting

Unrestricted income funds are funds available for use at the discretion of the Trustees in the furtherance of the general objectives of the Trust and which are not subject to externally imposed restrictions. Restricted income funds are funds to be used in accordance with specific restrictions imposed by donors.

The results for the year, as set out on page 9, show an operating deficit of £8,088,665 (2022: £58,116) before a gain on the revaluation of fixed assets of £1,370,000 (2022: loss of £1,166,581). This result is reflected in decreased reserves of £58,309,371 (2022: £65,028,036) of which £Nil (2022: £342,500) is restricted. Much of the reserves are tied up in the value of fixed assets, but the Trust has free reserves (net unrestricted current assets) of £2,639,371 (2022: £10,385,536).

### Estimation

The charity considers the future and other key sources of estimation uncertainty relevant to its activities, assets and liabilities.

The Trustees consider the actual performance in the year compared to the Trust objectives to be satisfactory.

The principal area of the accounts subject to estimation or judgement is in respect of the fair value of fixed assets. In order to estimate the current value of the assets, in between formal valuations, the charity has considered the impact of inflation on building prices. In the absence of more specific indices for the type and location of its assets, the charity uses indexation tables available from a reputable professional organisation in the field of public non-domestic buildings.

### Fund structure

Unrestricted income funds are general funds that are available for use at the Trustees discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.



# BFI TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2023

### 3 INVESTMENT INCOME

	2023 £	2022 £
Rental income	1,863,480	1,839,607
Interest income	67,475	8,969
	<u>1,930,955</u>	<u>1,848,576</u>

### 4 TRUSTEE REMUNERATION AND EXPENSES

No remuneration payments were made to Trustees or Officers of the Trust in the year ended 31 March 2023 (2022: £Nil). No expense payments were made to any Trustees in the year ended 31 March 2023 (2022: £Nil).

The Trust has purchased insurance to indemnify the Trustees against the consequences of any neglect or default on their part. The cost amounted to £1,459 (2022: £1,459).

### 5 EXPENDITURE ON CHARITABLE ACTIVITIES

		Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Grant awards		9,641,500	342,500	9,984,000	1,835,000
Governance costs	6	27,241	-	27,241	42,881
Other expenditure		<u>7,035</u>	<u>-</u>	<u>7,035</u>	<u>28,811</u>
<b>Expenditure on charitable activities</b>		<u><b>9,675,776</b></u>	<u><b>342,500</b></u>	<u><b>10,018,276</b></u>	<u><b>1,906,692</b></u>

During the year the Trust awarded grants totalling £9,984,000 (2022: £1,835,000) to the BFI to support its charitable activities. The BFI is an independent registered charity, number 287780, with objectives in common with the BFI Trust.

# BFI TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2023

### 6 ANALYSIS OF GOVERNANCE COSTS

	2023 £	2022 £
Audit of the financial statements	6,500	6,300
Corporate support *	13,522	13,522
Fixed asset valuation advice	5,760	21,600
Other governance costs	1,459	1,459
<b>Total governance costs</b>	<b>27,241</b>	<b>42,881</b>

\* The Trust has no employees. The BFI provides accounting and administration services for which the Trust is charged on an arms length basis, including irrecoverable VAT.

### 7 TANGIBLE FIXED ASSETS

	Freehold land £	Freehold buildings £	Total £
<b>Cost</b>			
At 1 April 2022	17,485,000	36,815,000	54,300,000
Fair value adjustment	(85,000)	1,455,000	1,370,000
At 31 March 2023	17,400,000	38,270,000	55,670,000
<b>Net book value</b>			
<b>At 31 March 2023</b>	<b>17,400,000</b>	<b>38,270,000</b>	<b>55,670,000</b>
At 31 March 2022	17,485,000	36,815,000	54,300,000

The Trust's freehold investment properties are stated at fair value at 31 March 2023 as determined by the Trustees based upon a professional valuation at 31 March 2022 by Deloitte LLP whom the Trustees consider to be appropriately qualified as updated for current market conditions as reflected in appropriate indices.

### 8 DEBTORS

	2023 £	2022 £
Accrued income	-	4,607

# BFI TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2023

### 9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Grants payable	9,180,000	2,895,000
Other creditors	106,940	49,959
Accruals	9,000	30,361
Deferred income	465,875	458,750
	<b>9,761,815</b>	<b>3,434,070</b>
	2023 £	2022 £
Deferred income at 1 April 2022	458,750	458,750
Resources deferred in the period	465,875	458,750
Amounts released from previous periods	(458,750)	(458,750)
Deferred income at year end	<b>465,875</b>	<b>458,750</b>

### 10 FUNDS

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
General unrestricted funds	64,685,536	1,863,480	(9,609,645)	1,370,000	58,309,371
Restricted funds	342,500	-	(342,500)	-	-
<b>Total funds</b>	<b>65,028,036</b>	<b>1,863,480</b>	<b>(9,952,145)</b>	<b>1,370,000</b>	<b>58,309,371</b>
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
General unrestricted funds	65,910,233	1,839,607	(1,897,723)	(1,166,581)	64,685,536
Restricted funds	342,500	-	-	-	342,500
<b>Total funds</b>	<b>66,252,733</b>	<b>1,839,607</b>	<b>(1,897,723)</b>	<b>(1,166,581)</b>	<b>65,028,036</b>

# BFI TRUST

## Notes to the Financial Statements for the Year Ended 31 March 2023

### 11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General unrestricted funds £	Total funds at 31 March 2023 £
Tangible fixed assets	55,670,000	55,670,000
Current assets	12,401,186	12,401,186
Current liabilities	(9,761,815)	(9,761,815)
Total net assets	<b>58,309,371</b>	<b>58,309,371</b>
	Unrestricted funds General £	Total funds at 31 March 2022 £
Tangible fixed assets	54,300,000	54,300,000
Current assets	14,162,106	14,162,106
Current liabilities	(3,434,070)	(3,434,070)
Total net assets	<b>65,028,036</b>	<b>65,028,036</b>

### 12 TAXATION

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

The Trust is not registered for VAT and therefore any VAT incurred cannot be reclaimed. Irrecoverable VAT is included with the relevant expenditure.

### 13 COMPANY INFORMATION AND MEMBERS' LIABILITY

The Trust is a private company limited by guarantee incorporated in England and Wales, whose registered office is situated at 21 Stephen Street, London W1T 1LN. The liability of each Member in the event of winding-up is limited to £1.

### 14 RELATED PARTY AND OTHER SIGNIFICANT TRANSACTIONS

During the period the Trust did not enter into any material transactions with related parties.

The BFI is an independent registered charity with objectives consistent with those of the Trust.