

TEAM ARMY SPORTS FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 NOVEMBER 2020

Registered Company Number: 07773783
Registered Charity Number: 1144004

TEAM ARMY SPORTS FOUNDATION
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FOR THE YEAR ENDED 30 NOVEMBER 2020

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TEAM ARMY SPORTS FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 30 NOVEMBER 2020

Status	The organisation is a charitable company limited by guarantee, incorporated 14 September 2011 and registered as a charity on 27 September 2011.
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.
Company Number	07773783
Charity Number	1144004
Registered Office	Lime Cottage Tisbury Row Tisbury Salisbury England SP3 6RZ
Trustees	Major General Colin McClean (Chair) Major General Jonathan James Cole (appointed 2 December 2020) Sarah Louise Cox (appointed 1 September 2020) Dr Nicolas Anderson Brigadier Richard Dennis OBE Major General Neil Sexton CB Andrew McMorran Major General Richard Semple CBE Mr Graham Beale
Bankers	Barclays Bank Farnborough GU14 7PQ
Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

TEAM ARMY SPORTS FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2020

The Trustees present their report and the audited financial statements for the year ended 30 November 2020

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Charities Statement of Recommended Practice (SORP 2015) (Second Edition, effective 1 January 2019).

Structure, Governance and Management

The trustees of the charity are drawn from a mix of current and ex-serving military personnel and experienced people from industry. This is intended to ensure that the Board has a good mix of knowledge and insight into Forces sport tempered with appropriate commercial experience.

If the Board feels it needs additional skills or knowledge it will identify and approach suitable people to see if they would be interested in volunteering to be a Trustee. Many senior serving officers and senior industry executives will already have experience of serving on charity boards.

The board of Trustees aims to meet 2-3 times per year. While the board relies on a part time CEO (Maj Gen (ret'd) Lamont Kirkland CBE) and back-office capability to guide the day-to-day activities of the charity, all strategic and policy matters are decided by the board (the CEO does not serve as a Trustee). Given the realities of service life not all trustees are able to attend every Trustee's board meeting. A board meeting will only go-ahead if the chair and CEO can attend and a majority of the trustees are available.

During the financial year, the Board comprised of five serving or ex-serving officers, Maj Gen (ret'd) Richard Semple, Maj Gen Colin McClean (Chair), Major General Neil Sexton with Brig (ret'd) Richard Dennis and also joined in Sep by WO1 Sarah Cox in order to provide a more appropriate mix and some diversity to the board's composition. This was also in response to the board's view that it needs to be better informed of current soldier's requirements and thereby help inform decisions on future funding. Between them they have a comprehensive understanding of the Armed Forces and how Forces sport is organised and funded. The charity continues to be well served by its non-military members: Dr Nic Anderson, of QinetiQ; Mr Andrew McMorran, CEO of Official Military Beer Company and Mr Graham Beal from Ernst & Young who brings finance expertise.

The charity has no paid staff. Its key management personnel are its trustees who are unremunerated.

Objectives and activities (Revised Nov 2019, further amended under a special resolution in Aug 2020)

- The objects and objectives were last formally updated in Nov 2019 to encompassing sport, challenge and adventure for serving and veteran forces whilst also supporting flagship grants to significant worthy pursuits. In FY2019, this not only covered support to a number of more minor adventurous activities but the flagship grant made a significant contribution to the UK INVICTUS trials and support for the team's training and preparation for the 2020 INVICTUS games in The Hague (subsequently postponed to 2021 and now again to 2022).
- Having agreed these minor changes, the objects were further amended in Aug 2020 to reflect the contribution the charity makes towards mental and well as physical wellbeing in its support to the serving and veteran community. This was passed at the special resolution in Aug 2020 and formally updated with the objects, features and principles for (funding) distribution in Dec 2020, they now read:
 - to promote the efficiency of Her Majesty's armed forces and veterans of the Crown by such charitable means as Trustees think fit including (but not limited to):
 - improving physical fitness and mental wellbeing, fostering esprit de corps, promoting diversity and inclusion and raising morale of serving armed forces personnel by encouraging participation in sports and adventurous activities and providing assistance in the provision of sporting facilities, and
 - the provision and support of facilities, amenities and activities for the well-being of serving and former armed forces personnel
 - the relief of serving or former armed forces personnel and their dependents and/or families who are in need by reason of youth, age, ill health, disability, financial hardship or other disadvantage.

TEAM ARMY SPORTS FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 NOVEMBER 2020

The charity aims to raise its funds through three major activities:

- Attracting benevolent donations (from individual and corporate donors and by association with 3rd party fundraising events),
- Conducting in-house fundraising events that showcase Forces sport; and
- Appealing to related industry partners and their wish to commit CSR or other charitable welfare funding to the TASF cause.

The charity seeks to achieve public benefit through the operation of the activities described above. The trustees confirm they have had regard to the Charity Commission's guidance on public benefit.

The charity does not fundraise through members of the public.

Activities and Performance

The impact of COVID-19 during most of the financial year had the restrictions on sport and events has inevitably had a significant effect on the normal cycle of events from which the charity would normally expect to benefit. The reality is that the only events of note have been:

	<u>Date</u>
Horse of the Year Show	Dec 19

Nevertheless, the charity has received some donations totalling £375,000 from a number of sources:

<u>Donation from</u>	<u>Amount</u>
Ethos Fundraising Limited	£355,000
Other (corporates)	£20,000
TOTAL	£375,000

With all sporting activity either stopped or severely curtailed from Apr 2020 the charity awarded significantly less grants and donations than would have been the case in a normal year. The total has been £157,895 and made up as follows:

<i>Recipient</i>	<i>Amount</i> (£)	<i>Recipient</i>	<i>Amount</i> (£)
Infantry Sailing	£12,000	Veterans Sub Aqua Club	£6,505
REME Sports	£22,000	Armed Forces Para Snowsport Team	£13,500
AFC Harrogate Sports	£3,000	Kartforce	£3,000
UKAF Cricket	£4,500	TeamBrit	£2,000
UKAF Winter Sports	£7,200	Adaptive Motorcycling	£3,600
UKAF Point to Point	£11,250	Team Endeavour Racing	£3,000
Grand Military Jockey Committee	£2,700	Taluga River Expedition	£2,500
UKAF Rugby	£32,146	Climb to Recovery	£5,000
UKAF Equestrian	£2,700	SSAFA Charity	£1,794
Armed Forces Rowing	£900	Royal Navy Winter Sports	£18,000
		AAC Cycling and Triathlon	£600
		TOTAL	£157,895

TEAM ARMY SPORTS FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 NOVEMBER 2020

Grant making policy

The trustees have agreed a set of principles which help to determine how to distribute charity funds (revised Nov 2019):

- To respect, as far as possible, the wishes of donors
- To promote excellence and success by supporting the full breadth of Armed Forces representational level sports and by supporting individuals to compete at elite and international level
- To increase opportunity by maximising participation in sport through support to grass roots activity thus making sport more accessible
- To enable recovery and rehabilitation by supporting wounded, injured & sick (WIS) servicemen and veterans to take part in competitive sport with particular emphasis on activities which 'level the playing field' for para athletes
- Support AT activities which are very challenging, truly adventurous and provide highly rewarding developmental and recovery experiences for both serving and veteran personnel
- Aim to support a worthy and high-profile sporting or adventurous projects with an annual flagship grant
- To contribute an annual surplus to the reserve to ensure funds are available for lean years and to smooth out income levels for key beneficiaries
- Build a capital fund of roughly one year's grant making
- Partner with other charities with aims coherent with our own, through and with whom the Foundation can deliver its goals in order to promote coherence, good governance and sharing of best practice

When involved in fundraising events the charity will typically seek to partner with other charities and may explicitly identify other charities as recipients of funds (typically those whose objects are services welfare related and aligned with those of the charity).

TEAM ARMY SPORTS FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 NOVEMBER 2020

Risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The trustees have considered the risks in the year and established appropriate mitigating action.

The following are the main risks the charity is exposed and how they are mitigated:

RISK	MITIGATION	COMMENT
TASF's main donor Ethos Fundraising Ltd (EFL) fails and stops trading	<ul style="list-style-type: none">• TASF requires an understanding of EFL's sustainability.• TASF requires cash planned for donation to be ring-fenced or paid regularly to reduce exposure• TASF is identifying alternative income streams	<p>EFL seeks to make payments into the charity at least quarterly</p> <p>Ultra Electronics have made donations directly to the charity to help enable a Covid Bounce Back fund</p> <p>New partnership with Crafty brewery (now Military Beer Company) is expected to result in increased donations</p>
The Armed Forces lose trust in Team Army/ Team Ethos as a concept	<ul style="list-style-type: none">• The Team Army/ Team Ethos programme and benefits need to be clear to all parties and proven through measured performance• The role of the Armed Forces and sports in working with Ethos, sponsors and TASF, along with the underpinning operating model, need to be clearer and better understood.• In a termination of Ethos event TASF could look to develop, as per mitigation above into a Trading Fund in order to take over from Ethos.• TASF has a key part to play in giving donors (in whatever form) a shared passion for Forces sport and its benefits	<p>There has been increased use of social media, particularly LinkedIn, to provide news stories to highlight the work of the charity in providing grants for good causes. This has proven to be exceptionally useful in broadcasting the work of the charity.</p>

TEAM ARMY SPORTS FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 NOVEMBER 2020

Risk management (continued)

TASF is unable to meet financial commitments	<ul style="list-style-type: none">• Be clear on financial exposure at any stage• Ensure the Board has appropriate financial expertise to help fiscal planning.• Build a suitable financial contingency to cover the unexpected.• Widen the numbers of direct donors to TASF	Cash reserve has been established and will be increased in the next FY. As a result of the increased activity on social media, there is now stronger interest within Defence industry to support the work of Team Ethos/ Team Army
COVID-19 and its impact on the charity's business through reduced income	<ul style="list-style-type: none">• Preserve funds by stopping payments• Inform sports that grants will be withheld in the short term to reflect reduced sporting activity• Invite sports and other adventure pursuits to submit justified requests for funding only when activity resumes.• Reduce overheads wherever possible which includes management fees (to be covered in the 2020 renewal of the SLA with EFL)	The trustees are acutely aware of the likely impact on cashflow due to COVID-19 restrictions on sporting and social activities. However, taking action to preserve payments will help keep this situation under control and will remain under review. There are strong signs that income will rise significantly in the next period.

Finance Review

The charity's income was £375,366 in this year of activity ended on 30 November 2020. The total expenditure was £227,471 for the year. The fund balance carried forward at 30 November 2020 was £327,023.

Reserves policy

In accordance with guidelines issued by the Charity Commission, the Trustees have adopted a policy regarding reserves which should ensure that there are adequate funds to ensure that the charity is able to meet all current and known future liabilities. With a reduced income from EFL during the Pandemic year, the charity has needed to call on some reserves in order to meet requests and support to the few activities that continued.

At 30 November 2020 the Charity had reserves totalling £327,023 (2019 - £179,128) all of which were unrestricted. These reserves are available to be part of the funds to meet the charity's grant commitments (which are forecasted as being £155,481 as itemised on page 19), a number of the 2019 commitments that usually cleared in the spring have been merely carried forward until the resumption of activity as spring lockdown took effect. The Trustees believe the level of reserves is sufficient for the Charity's needs.

As predicted and covered in the 2019 audit, COVID-19 impacted on the short-term cashflow for the charity but with a prudent approach by reducing or holding back grants where there was no sporting activity, meant it was possible to control a reasonable balance between income and expenditure. With grants made at the discretion of the charity and its trustees, there is no reason to significantly reduce reserves or change policy as there are no significant binding commitments.

TEAM ARMY SPORTS FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 NOVEMBER 2020

Plans for the future

The charity's future plans are to:

- Continue to deliver suitable fundraising events.
- Conduct a series of campaigns to attract increasing levels of benevolent donations;
- Develop relationships with other charities whose objects are aligned with those of the Team Army Sports Foundation and become the chosen channel through which funds are directed to Forces sports;
- Identify corporate charitable schemes with a view to having specific forces sport (particularly for disabled athletes) nominated as the charity of choice for staff fundraising;
- Continue to build the reserve fund in line with the charity's short-term goals; and
- Continue to develop a funding profile and allocation to enable a post-Covid bounce back, especially targeted at those individuals and groups pursuing those one-off, iconic and inspirational activities.
- Maximise the use of social media to broaden awareness of the charity's work and effect
- Encourage industry to consider the charity when demonstrating its support and contribution to social value

COVID-19 and its impact on plans going forward

Covid continues to have an impact on expected revenue and activity levels into FY 2020/21. However, the outlook is generally positive in that EFL, the principal donor to the charity, is expected to quickly resume business in terms of organising and generating revenue with sporting and other hospitality events and attract sponsors. This is expected to allow donations to resume, in Q4 of FY20/21 even if not back to more normal levels until Covid stops impacting on operations.

TEAM ARMY SPORTS FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 NOVEMBER 2020

Trustees' responsibilities Statement

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity as at the balance sheet date and of its income and expenditure, for the year then ended.

In preparing those financial statements which give a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 assume that the charitable company will continue on that basis.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the charitable company, enabling 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 we 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.

The Trustees' Report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Trustees on 17 August 2021 and signed on their behalf by:



Trustee

Jonathan Cole
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

TEAM ARMY SPORTS FOUNDATION

Opinion

We have audited the financial statements of Team Army Sports Foundation the year ended 30 November 2020 which comprise the Statement of Financial Activities, the Balance Sheet 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 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 charitable company's affairs as at 30 November 2020 and of the charitable company's net movement in funds, including the 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's 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 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 Trustees' Annual Report. 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.

Opinions 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' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
TEAM ARMY SPORTS FOUNDATION (continued)**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 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 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:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission, Charities Act and Companies Act, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Charities SORP (2019) and Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the recognition of donations income and grant expenditure. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the charity, particularly in relation to the recording of income and processing of payments, to ensure these were in place throughout the year, including during the Covid-19 remote working period;
- Evaluating management's controls designed to prevent and detect irregularities; and
- Reviewing and testing journal entries made in the year, particularly those made as part of the year end financial reporting process.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

TEAM ARMY SPORTS FOUNDATION (continued)

Use of our report

This report is made solely to the charitable company's members, 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 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 the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kathryn Burton (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor

Date: 26 August 2021

10 Queen Street Place
London
EC4R 1AG

TEAM ARMY SPORTS FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 30 NOVEMBER 2020

		Unrestricted Funds	
	Note	2020	2019
		£	£
Income from:			
Donations and legacies	2	375,000	621,854
Other income		366	243
Total income		<u>375,366</u>	<u>622,097</u>
Expenditure on:			
Charitable activities	3	227,471	816,834
Total expenditure	3	<u>227,471</u>	<u>816,834</u>
Net income/(expenditure)		147,895	(194,737)
Reconciliation of funds:			
Funds at the start of the year		179,128	373,865
Funds at the end of the year		<u>£327,023</u>	<u>£179,128</u>

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

Movements in funds are disclosed in note 10 to the financial statements.

All income and expenditure is unrestricted in both 2020 and 2019 financial years.

The notes on pages 15 to 19 form part of these financial statements.

TEAM ARMY SPORTS FOUNDATION (company number 07773783)

BALANCE SHEET

AS AT 30 NOVEMBER 2020

	Notes	£	2020	£	£	2019	£
CURRENT ASSETS							
Short term deposit and cash in hand				332,423			184,288
CREDITORS: amounts falling due within one year	8	(5,400)			(5,160)		
NET CURRENT ASSETS							179,128
NET ASSETS				327,023			£179,128
FUNDS							
Unrestricted funds	10			327,023			179,128
Total funds				£327,023			£179,128

The notes on pages 15 to 19 form part of these financial statements.

The financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small Companies.

The financial statements were approved and authorised for issue by the Board of Trustees on 18 Aug 2021 and were signed below on its behalf by:

Trustee

Jonathan Cole
Chair of Trustees

TEAM ARMY SPORTS FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2020

		2020	2019
		£	£
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities (see below)	A	148,135	(201,077)
Change in cash and cash equivalents in the year	B	148,135	(201,077)
Cash and cash equivalents at the beginning of the year		184,288	385,365
Cash and cash equivalents at the end of the year		£332,423	£184,288

A. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020	2019
	£	£
Net income/(expenditure) for the reporting year (as per the statement of financial activities)	147,895	(194,737)
Adjustments for:		
Increase/(decrease) in creditors	240	(6,340)
Net cash provided by/(used in) operating activities	£148,135	£(201,077)

B. ANALYSIS OF CHANGES IN NET CASH FUNDS

	At 1 December	Cashflows	At 30 November
	2019		2020
Cash and cash equivalents	184,288	148,135	332,423
Total cash and cash equivalents	£184,288	£148,135	£332,423

TEAM ARMY SPORTS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2020

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019) applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention unless otherwise stated in the relevant accounting policy note(s). The charity meets the definition of a public benefit entity under FRS102.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees to make significant judgements and estimates. It also requires management to exercise judgment in applying the Charity's accounting policies. There were no areas that required the use of judgements.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. With regard to the next accounting period, the year ending 30 November 2021, it is expected that Q4 will see a significant resumption of sporting activity, matched by the ability for EFL to generate funds as COVID-linked legal and social restrictions are removed. Notifying all sports and exercising prudence in awarding grants during a period of such uncertainty was also important in ensuring the charity remains strong and well placed going forward.

As expected, the reduced income during FY2020 was largely offset by the reduced demand for grants from sports and associations. However, during this lull, the introduction and promotion of special, post-COVID, Bounce-Back grants for one-off, iconic activities has proved a success in maintaining awareness of the charity's contribution made to good causes and its continued relevance in its support to the military community. There is evidence of continued strong support for the activities of EFL which bodes well for the charity as EFL remain its principal donor. The trustees are also encouraged by evidence of industry being prepared to directly donate during this last year and the potential for a growing trailing income generated by sales.

The trustees therefore assess that the charity remains strong and viable as a going concern.

Income recognition

Income is recognised when the charity has met the following criteria: entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income received in advance is deferred until the criteria for income recognition are met.

In accordance with the Charities SORP FRS102, volunteer time is not recognised.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

TEAM ARMY SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020

1. ACCOUNTING POLICIES (continued)

Expenditure recognition and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on charitable activities includes the costs of running the charity's communities as well as all other costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. These costs comprise charitable grants and donations, direct and support costs in respect to the support of army sports activities. It also includes governance costs.

Charitable grants and donations are made where the Trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Financial instruments

The charity only holds financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

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. Deposits for more than three months and up to one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised where the charity 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.

2. DONATIONS

A breakdown of donations can be found in the Trustees' Report on page 3.

TEAM ARMY SPORTS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 NOVEMBER 2020

3. EXPENDITURE - 2020

	Direct costs £	Grants £	Total 2020 £
Charitable activities			
Services Sports Associations	-	157,895	157,895
Support costs	64,176	-	64,176
Governance costs (see below)	5,400	-	5,400
	<u>69,576</u>	<u>157,895</u>	<u>227,471</u>
TOTAL EXPENDITURE	<u>£69,576</u>	<u>£157,895</u>	<u>£227,471</u>

EXPENDITURE - 2019

	Direct costs £	Grants £	Total 2019 £
Charitable activities			
Services Sports Associations	-	738,580	738,580
Support costs	72,434	-	72,434
Governance costs (see below)	5,820	-	5,820
	<u>78,254</u>	<u>738,580</u>	<u>816,834</u>
TOTAL EXPENDITURE	<u>£78,254</u>	<u>£738,580</u>	<u>£816,834</u>

A full list of grant recipients can be seen in the Trustees' Report on page 3.

4. GOVERNANCE COSTS

	2020 £	2019 £
Auditor's remuneration	5,400	5,820
	<u>£5,400</u>	<u>£5,820</u>

5. STAFF COSTS

The charity had no staff in the year or in the prior year. Its key management personnel are its trustees who were not remunerated in the current or prior year.

6. TRUSTEES' REMUNERATION AND EXPENSES

The Trustees received no remuneration or reimbursement of expenses during the year (2019: £nil).

TEAM ARMY SPORTS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 NOVEMBER 2020

7. TAXATION

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

8. CREDITORS: amounts falling due within one year

	2020 £	2019 £
Accruals	5,400	5,160
	<u>£5,400</u>	<u>£5,160</u>

9. GRANTS PAYABLE

	2020 £	2019 £
Payable in the year	157,895	738,580
Paid in the year	(157,895)	(738,580)
Commitments at 30 November 2020	<u>£-</u>	<u>£-</u>

In addition to the amounts payable, as noted above, the trustees have also authorised prior to the year-end certain grants which are subject to the recipient fulfilling certain conditions. The total amount authorised to the end of November 2020 but not accrued as expenditure at the year-end was £155,481 (2019: £101,450). A full list of these commitments is shown in note 12.

10. MOVEMENT IN FUNDS - 2020

	At 1 December 2019 £	Income £	Expenditure £	At 30 November 2020 £
Unrestricted funds:				
Total funds	£179,128	£375,366	£(227,471)	£327,023

MOVEMENT IN FUNDS -2019

	At 1 December 2018 £	Income £	Expenditure £	At 30 November 2019 £
Unrestricted funds:				
Total funds	£373,865	£622,097	£(816,834)	£179,128

11. RELATED PARTIES

The following Trustees played figurehead roles within benefitting Army sports organisations:

Maj Gen Neil Sexton: Commodore Army Sailing and President Army Gliding. Army sailing was a beneficiary organisation during the 2018/19 financial year.

During 2019/20, no Trustees were associated with sports or associations in receipt of charity grants.

There were no other related party transactions in the current or prior year.

TEAM ARMY SPORTS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 NOVEMBER 2020

12. GRANT COMMITMENTS - 2020

The charity assessed that it was committed to paying the following grants if and when activity resumes. This is a best estimate for the start of 2020/21 but relies on a reassessment by sports depending on need and activity levels.

Association	£
Infantry Cricket	2,700
Infantry Nordic	2,700
R Sigs	20,000
REME Sports	15,000
Yorks Regt	5,130
3 Div Warrior Games	5,400
UKAF Cricket	4,500
UKAF Golf	12,600
UKAF Rowing	1,800
UKAF Rugby	25,200
UKAF Winter Sports	7,200
Military Rifle comp	5,850
AF Rally Team	9,000
IS T20 Cricket	4,000
AF Para Snow Sport Team	5,000
RN Polo	13,500
RN Hockey	5,400
RN Motorsport	4,500
RN Rugby League	4,500
RA	240
REME	856
RSigs	230
AAC	72
HMS Medway	76
KRH	27
	<u>£155,481</u>

GRANT COMMITMENTS - 2019

The charity was committed to paying the following grants in 2019/20:

Association	£
3 Div Challenge Cup	5,400
Armed Forces Para Snowsport Team	13,500
AFRT	13,500
GB Rowing	10,000
Grand Military Jockey Committee	2,700
Royal Navy Winter Sport	11,700
UKAF Boxing	2,700
UKAF Equestrian	2,700
UKAF Point to Point	11,250
UKAF Rugby	20,000
UKAF Winter Sports	8,000
	<u>£101,450</u>