

Company Number: 07192349
Charity Number: 1157531/SCO46146

Forces Support Limited

Audited Financial Statements

for the year ended

31st March 2023

Wenn Townsend

Chartered Accountants

Oxford

Forces Support Limited

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Forces Support Limited
Report of the Trustees
for the year ended 31st March 2023

The trustees have pleasure in presenting their report and the financial statement of Forces Support Limited for the year ended 31st March 2023. 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 31st March 2023. 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 the Republic of Ireland (FRS 102) (effective 1st January 2015).

CHARITABLE STATUS AND TRANSFER OF UNDERTAKING

Forces Support Limited is a charity registered in England & Wales, registration number: 1157531 & Scotland registration number: SC046146.

STRUCTURE GOVERNANCE AND MANAGEMENT

The trustees (directors) who serve Forces Support Limited during the year and subsequently were as follows:

Ronald Spurs (Chair of Trustees)
Grace Matthews (Deputy Chair)
David Simpson
Claire Locke
Roger Booth
Brendan Kay
Toby Morris
Norman MacRae

Trustees are kept up to date by a detailed report from the Chief Executive Officer (CEO) on progress in achieving the strategic aims and objectives at each board meeting and by emails in between meetings. Time is also set aside at board meetings to discuss strategy and update knowledge on governance and related matters.

New trustees are given a full induction into their role as trustees and are encouraged to visit Forces Support outlets to meet and engage with staff.

GOVERNANCE AND MANAGEMENT

Day to day management is delegated by the trustees to the Chief Executive Officer (CEO). Carol Reynolds is the current CEO. Trustees are responsible for the overall strategy of the organisation and the appointment of the CEO.

AIMS AND OBJECTIVES

Aims

The aims of the Charity are, firstly, to provide relief and support to families of service personnel killed whilst serving the Armed Forces and, secondly, to work with existing veteran housing & veteran family bereavement providers. Thus, allowing the charity to support vulnerable ex-service personnel access to specialist housing support, and their families who are in need through financial hardship.

Objectives

The trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities. The trustees consider how planned activities will contribute to the aims and objectives they have set.

Objective 1 - Improving the lives of the bereaved – the charity continues to provide practical home and garden maintenance services, easing the burden on bereaved families.

Objective 2 - The second charitable objective is improving the supply of housing for service veterans - To play an active role in supplying funding to facilitate the delivery of tailored housing and support for veteran and encourage other housing suppliers (e.g., Housing Associations) to do the same. Thus, addressing problems of homelessness, financial disadvantage, and poor mental and physical health amongst veterans.

Forces Support Limited

Report of the Trustees (continued) for the year ended 31st March 2023

Forces Support is now in partnership with 8 veteran housing/support & 1 bereavement charity as follows:

Haig Housing Trust is a leading provider of housing for ex-military personnel across the UK. Their foundation has been running for 100 years. Forces Support and Haig Housing have been partners for several years and may continue to fund projects in line with our charitable objectives when required.

Broughton House is based in Manchester; its original building was 100 years old and in need of refurbishment for which fundraising continues to take place. Forces Support has been in partnership with Broughton House for a number of years, providing funding for "A veteran 'hub' that offered a diagnostic service and support for families and children of service personnel. Where needed, ex service personnel are offered one to one support to adjust to civilian life, including helping them to manage their financial affairs.

AT & V Launchpad has two locations, one in Liverpool and the other in Newcastle.

- **Liverpool's** largest veterans' accommodation facility providing safe, secure en-suite bedsits and flats for up to 48 veterans to help them stabilise their lives and make a successful transition from military to civilian life. Forces Support have been partners with Launchpad Liverpool for a number of years and continues to provide funding for projects when required.
- **Newcastle** – Has 33 furnished flats – which house veteran couples and their pets allowing them a max stay 24 months, Forces Support Board of Trustees agreed to fund the replacement of furniture packs within 21 flats at a total costs of £31,690. The final payment was awarded in March 23 for £22,657. Forces Support have been partners with Launchpad Newcastle for a number of years and may continue to provide funding for projects when required.

Sir Oswald Stoll Foundation is the largest provider of supported housing to vulnerable veterans in the country. Stoll provide affordable, high-quality housing and support services to enable vulnerable and disabled veterans to lead fulfilling, independent lives. They have been providing housing and support services to vulnerable veterans since 1916. The organisation has 300 affordable homes for vulnerable Veterans to rent. They currently operate four schemes in West London and opened an award-winning scheme in the garrison town of Aldershot in 2018. Forces Support and Sir Oswald Stoll Foundation have been partners for several years and may continue to fund projects in line with our charitable objectives when required.

Alabare Christian Care & Support is a charity set up in 1991 to support vulnerable, homeless, and marginalised people. It has homes for veterans across Wales and the South-West of England, providing homes bespoke to the needs of ex-Armed Forces personnel. The charity helps people transform their lives, providing accommodation and helping them gain the skills, confidence, and opportunities to live a fulfilled life. Forces Support and Alabare CC & S have been partners for several years and may continue to fund projects in line with our charitable objectives when required.

Scotties Little Soldiers - (SLS) is dedicated to supporting children who have lost a parent who served in the British Armed Forces. Army Widow, Nikki Scott set up the charity in August 2010 to help the children of fallen heroes after her husband Corporal Lee Scott was sadly killed in Afghanistan-leaving behind their two young daughters.

Forces Support received a proposal from SLS asking for assistance for 198 family supported respite break assistance for 2021. Forces Support approved funding for a four-year period, commencing 2020-21. Year 1 would be the whole cost for the period £136,517. Years Two, Three & four would be 50% funded awarding an annual award of £69,000 each year. Due to COVID 19, SLS asked Forces Support if they would review the funding previously awarded as costs associated with the respite breaks had increased. The Board agreed to an uplift in funding for 2022/23 from £69,000 to £73,550. The Board also agreed to review the costs associated with respite breaks for the forthcoming year.

Forces Support is delighted to report that the new lodge which was fully funded by Forces Support at a cost of £172,695 is now open to SLS's families.

Forces Support Limited

Report of the Trustees (continued) for the year ended 31st March 2023

Walking With the Wounded - Founded in 2010 WWTW has helped many veterans with training, employment support and mental health treatment. WWTW approached Forces Support to ask if they would be able through sponsorship, support a new WWTW Veterans Support Hub at The Walker Building, North Shields, NE29 6LL. This sponsorship request was for the period of 3 years valued at £30,000 per year from September 2021 till September 2024. This proposal was approved by Forces Support's Board of Trustees and funding commenced in 2021 onwards.

SSAFA-Oxfordshire – The Oxfordshire branch of SSAFA works to ensure that the needs of the Armed Forces, veterans and their families are met in an appropriate and timely way. The Armed Forces charity exists to relieve need, suffering and distress amongst the Armed Forces, veterans, and their families to support their independence and dignity. SSAFA operate Veterans Hubs in Barton, Oxford and Upper Heyford.

The Veteran Charity -The Veterans Charity was founded in 2008 and since 2011, has been providing rapid, immediate needs support to Veterans who have served within any of the UK Armed Forces. Since 2011, they have directly supported more than 4000 Veterans in their hour of need. A large proportion of these cases are the result of referrals from many other charities and organisations, and they are immensely proud to be an essential part of the military charity sector and Armed Forces community. Forces Support received a request for funding to assist The Veteran Charity with the services they provide to veterans in need. Forces Support Board of Trustees agreed to fund The Veterans Charity for three years assisting - 500 veterans and their families in need at a cost of £115 per family per annum at a cost of £57,500 per year. The total funding awarded for the 3-year period is £172,500. Due to the increase demand from veterans and increases in the cost of living, Forces Support Board of Trustees reviewed the current funding awarded to the Veterans Charity and agreed to increase its funding for 23/4 to £69,000 which will ensure more veterans can be assisted. Forces Support Board of Trustees also agreed to support The Veteran Charity for a further two years until 24-26 and awarded £160,000 per annum which will assist 1000 veterans each year.

Forces Support Board of Trustees has agreed funding for the following charities which will be released in the forthcoming year: **Ziggy's Pantry £5,000, Turn to starboard £ 32,400 and FirstLight Trust £39,761**

We continue to build our reserves – with the aim of providing financial support to specialist military housing & family bereavement providers as described above and ad hoc projects which fall within the charity's aims and objectives.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Family requests continue to decrease, we have directly supported a small number of families who have suffered military-related bereavement. Work has been carried out in their homes and gardens with maintenance projects including decorating. The work continues to have a positive impact on the lives of the families concerned.

In light of the above the charity continues concentrating its efforts on getting suitable housing associations & bereavement partners where funding is required to assist veterans and families in need.

Forces Support will continue to fund our current and previous funding partners should projects submitted fulfil the criteria required by the Board of Trustees within Forces Support. We continue to seek other suitable partners so we can continue funding projects that will assist our veterans and families in need, now and in the future.

Forces Support remains a full member of Cobseo which we hope will continue to enhance our current successes to date.

Forces Support remains a full member of the Armed Forces Covenant Trust and has recently been awarded with **both a Bronze & Silver award from Defence Employer Recognition Scheme.**

The charity relies on the contribution of volunteers in all our retail outlets enabling our retail presence to grow and remain successful throughout the UK. The Board of Trustees are very grateful to all our volunteers.

Forces Support Limited

Report of the Trustees (continued) for the year ended 31st March 2023

Funding activities

Income has decreased slightly this year due to the aftermath of COVID 19 pandemic; we had 28 stores selling donated goods, but we now operate in 20 stores around the UK. We continue to assess our retail outlets and their location, and we continue to grow in the location we operate and are doing more in the local communities to ensure we have sufficient stock to sell in stores which will increase our income growth in the future.

FINANCIAL REVIEW

Financial position

The gross income for Forces Support in 2022-23 was £2,477,648 (2021-22: £2,667,139). The main reason for the decrease of income is due to the closure of some of our retail store's post COVID as landlords served notice upon us. We were operating in 29 stores, but this number is now 20. This is being monitored regularly and any real concerns will be raised as they occur.

Total expenditure in the year 2022-23 was £1,960,482 (2022: £2,240,820) giving a surplus overall of £517,166 in 2022-23. (2021-2022: £426,319). The increase relates to a decrease in projects being funded £180,822 in 2022-23 (2021-2022: £435,530). The Board of Trustees made this decision post COVID, as we needed to ensure we had sufficient funds to cover our everyday costs during this year. We continue to see an increase in costs associated with salaries, utilities, credit card charges, insurance, rates, water rates & waste during 2022-23, and forthcoming years.

This decrease in expenditure has resulted in the charity reporting a smaller surplus in 2022-23 of £517,166.

The financial implication of the COVID 19 pandemic.

Post COVID is still affecting our charity as landlords continue to serve notice upon us and stores continue to close. In light of this, the Board of Trustees agreed to move away from Tenancy At will arrangements and focus on renting new stores with longer leases assigned to them. This would give us more stability in the areas we trade with moving forward. However, this would also increase costs as we will be paying rent now and in the future.

The increase in the cost of living, such as utilities, rent, rates, waste & insurance etc together with reduced interest rates have had an impact on the expenditure during 2022-23.

Reserves policy

At the end of the reporting period, the charity held unrestricted reserves of £2,995,179.

The charity holds reserves in order to ensure it is well placed to meet challenges that may arise in the future.

It is the policy of the charity that unrestricted reserves should be maintained at a level equivalent to at least six months' running cost of the charity with the object of being able to ensure that the charity is able to continue with its activities for the duration of any temporary fall in funding.

Principal risks and uncertainties

Trustees place a high priority on risk management. Risks identified are categorised as follows:

Strategic and Governance
Management and staff
Operational
Financial

It is the policy of the trustees to review all risks at each Board meeting. Each review seeks to establish that all risks are documented and that steps to mitigate such risks are established and executed. As a result of this process, the trustees are satisfied that residual risks are minimal.

Forces Support Limited

Report of the Trustees (continued) for the year ended 31st March 2023

FUTURE PLANS

Improving the lives of the bereaved – we will continue to offer practical support to families in need.

Improving the supply of housing for service veterans – Our second charitable objective is to work with existing veteran housing & bereavement providers which will enable the charity to support vulnerable ex-servicemen, women & children to gain access to specialist housing support and targeted assistance supplied by specialist military & bereavement charities.

Income growth – The retail industry continues to be fragile following the COVID pandemic outbreak, but we will continue to try and improve income from our network of shops selling donated goods throughout the UK, with the ultimate aim to become a well-known national brand.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Forces Support ('the Charity') is a private registered company limited by guarantee, with no share capital, and is governed by Articles of Association. It is also a registered charity whose activities are intended to be for the public benefit.

Management

The policies and general management of the affairs of Forces Support are directed by the Trustees. Day to day management is carried out by the Chief Executive Officer under the terms of delegated authority from the board of trustees who also set the remuneration of the management team.

Recruitment and appointment of new trustees

Trustees are recruited with a view to diversity, sound experience in a related field, or professional expertise in a relevant area.

Candidates are given first-hand experience of the work of the charity, interviewed by an existing Trustee and, if appropriate, are invited to a Trustees' meeting. Appointment is then conditional on the approval of the trustees generally.

The Trustees confirm that:

- As far as each trustee is aware, there is no relevant audit information (needed by the auditors in connection with this report) of which the Charity's auditors are unaware; and
- Each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

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

Registered office & Operational Address:

Unit 2, Two Rivers Industrial Estate
Station Lane
Witney
OX28 4BH

Forces Support Limited

Report of the Trustees (continued) for the year ended 31st March 2023

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, and the Charity (Accounts and Reports) Regulations 2008. 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. The trustees are responsible for the maintenance and integrity of the charitable company and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees, in exercising their powers and duties, have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Auditors

The auditors, Wenn Townsend, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 21st September 2023 and signed on the board's behalf by:


.....
R N Spurs - Trustee

Forces Support Limited

Independent Auditor's Report to the Trustees of Forces Support Limited

Opinion

We have audited the financial statements of Forces Support Limited (the 'charity') for the year ended 31st March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. 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 Charity's affairs as at 31st March 2023, and of 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 annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, 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' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- sufficient accounting records have not been kept; 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

Forces Support Limited

Independent Auditor's Report to the Trustees of Forces Support Limited (continued)

- we have not obtained all the information and explanations necessary for the purposes of our audit; or
- the trustees were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements which 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

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.

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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulations made under Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company'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 the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Rodzynski FCA (Senior Statutory Auditor)
Wenn Townsend
Chartered Accountants and Statutory Auditors
Oxford

21st September 2023

Wenn Townsend is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Forces Support Limited

**Statement of Financial Activities
for the year ended 31st March 2023**

	Notes	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £	2022 Total Funds £
Income and endowments from					
Donations and legacies	2	36,091	-	36,091	46,691
Other trading activities	3	2,431,353	-	2,431,353	2,611,974
Other income		10,204	-	10,204	8,474
Total		2,477,648	-	2,477,648	2,667,139
Expenditure on					
Raising funds	4	1,492,813	-	1,492,813	1,503,245
Charitable activities					
Charitable activity	5	467,669	-	467,669	737,575
Total		1,960,482	-	1,960,482	2,240,820
Net income		517,166	-	517,166	426,319
Transfers between funds	13	-	-	-	-
Net movement in funds		517,166	-	517,166	426,319
Reconciliation of funds					
Total funds brought forward		2,478,013	-	2,478,013	2,051,694
Total funds carried forward		2,995,179	-	2,995,179	2,478,013

The notes on pages 12 to 20 form part of these financial statements

Forces Support Limited

**Balance Sheet
as at 31st March 2023**

	Notes	2023 Total Funds £	2022 Total Funds £
Fixed assets			
Tangible assets	10	348,269	354,818
Current assets			
Debtors	11	69,094	64,284
Cash at bank and in hand		793,440	425,554
Cash at bank for future funds		1,888,848	1,879,049
		<hr/>	<hr/>
Creditors		2,751,382	2,368,887
Amounts falling due within one year	12	(104,472)	(245,692)
		<hr/>	<hr/>
Net current assets		2,646,910	2,123,195
		<hr/>	<hr/>
Total assets less current liabilities		2,995,179	2,478,013
		<hr/>	<hr/>
Net assets		2,995,179	2,478,013
		<hr/>	<hr/>
Funds			
Unrestricted funds		2,995,179	2,478,013
		<hr/>	<hr/>
Total funds		2,995,179	2,478,013
		<hr/>	<hr/>

The financial statements were approved by the Board of Trustees and authorised for issue on 21st September 2023 and were signed on its behalf by:



 R N Spurs – Trustee

The notes on pages 12 to 20 form part of these financial statements

Forces Support Limited
Cash Flow Statement
for the year ended 31st March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	17	377,685	384,994
Net cash provided by operating activities		<u>377,685</u>	<u>384,994</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(366,251)
Sale of tangible fixed assets		-	23,200
Net cash provided by/(used in) investing activities		<u>-</u>	<u>(343,051)</u>
Change in cash and cash equivalents in the reporting period		377,685	41,943
Cash and cash equivalents at the beginning of the reporting period		<u>2,304,603</u>	<u>2,262,660</u>
Cash and cash equivalents at the end of the reporting period		<u><u>2,682,288</u></u>	<u><u>2,304,603</u></u>

The notes on pages 12 to 20 form part of these financial statements

Forces Support Limited

Notes of the Financial Statements for the year ended 31st March 2023

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 October 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 and Charities and Trustees Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

The financial statements have been prepared on the historical cost basis, except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Income resources

All income is included in the statement of financial activities net of VAT where applicable and when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the time they are sold. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. Grant and project expenditure is recognised in the accounts at the point that the recipient meets the conditions attached to the grant. Before this point, the grant is not payable.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities

Forces Support Limited

Notes of the Financial Statements (continued) for the year ended 31st March 2023

1. Accounting policies (continued)

Allocation and apportionment of costs

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible fixed assets

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at the revalued amounts less accumulated impairment losses. Freehold buildings are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses. Land and buildings are to be revalued by independent professional valuers on a periodic basis and whenever their carrying amounts are likely to differ materially from their revalued amounts.

All other items of property plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Land and Buildings	-	nil
Office equipment	-	25% on cost
Motor vehicles	-	25% on cost

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.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment. Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the financial charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Forces Support Limited

Notes of the Financial Statements (continued) for the year ended 31st March 2023

1. Accounting policies (continued)

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis. The charity often takes out leases for locations at rates potentially below prevailing market rates. Those payments are included within rental expenditure based on the actual cost incurred as it would be impracticable to measure any fair value on a shop by shop basis.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Limited by guarantee

The company is Limited by Guarantee and does not have a share capital. The members undertake to contribute a sum, not exceeding £1 each, to the assets of the company in the event of it being wound up.

2. Donations and legacies

	2023 £	2022 £
Donations	36,091	46,691
	<u>36,091</u>	<u>46,691</u>

3. Other trading activities

	2023 £	2022 £
Shops – sale of donated goods	2,431,353	2,441,500
Government grants	-	170,474
	<u>2,431,353</u>	<u>2,611,974</u>

Included within Government grants for the Charity is £Nil (2022: £23,568) of Government grants relating to the Coronavirus Job Retention Scheme.

Forces Support Limited

**Notes of the Financial Statements (continued)
for the year ended 31st March 2023**

4. Raising funds

Other trading activities

	2023	2022
	£	£
Staff costs	862,428	842,489
Rent, rates and water	192,584	133,506
Light and heat	99,356	145,728
Repairs and maintenance	5,816	25,727
Insurance	12,985	13,486
Other establishment costs	69,827	52,205
Motor expenses	16,720	13,242
Travel and subsistence	26,109	15,698
Telephone and internet	4,855	4,061
Sundry expenses	-	-
Collection of donated goods	175,934	233,785
Credit card charges	26,199	23,318
	<u>1,492,813</u>	<u>1,503,245</u>

5. Charitable activities costs

	Direct Costs £	Support costs (see note 6) £	Totals £
Charitable activity	<u>266,885</u>	<u>200,784</u>	<u>467,669</u>

Included within the above support costs is £Nil (2022: £33,524) of restricted expenditure.

6. Support costs

	Management £	Governance costs £	Totals £
Charitable activity	<u>196,284</u>	<u>4,500</u>	<u>200,784</u>

Forces Support Limited

**Notes of the Financial Statements (continued)
for the year ended 31st March 2023**

7. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2023 £	2022 £
Auditor's remuneration	4,500	4,300
Depreciation – owned assets	13,527	12,023
Surplus on disposal of fixed assets	(6,978)	(13,227)
	<u> </u>	<u> </u>

8. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31st March 2023 (2022: £Nil).

Trustees' expenses paid for the year ended 31st March 2023 were £259 (2022: £Nil).

9. Staff costs

	2023 £	2022 £
Wages and salaries	947,582	918,291
Social security costs	59,565	49,240
Other pension costs	34,387	54,301
	<u> </u>	<u> </u>
	1,041,534	1,021,832
	<u> </u>	<u> </u>

The average monthly number of employees during the year was as follows:

	2023	2022
Charitable projects	1	1
Shops and fundraising	54	55
Management and administration	9	9
	<u> </u>	<u> </u>
	64	65
	<u> </u>	<u> </u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
£80,001 - £90,000	1	1
	<u> </u>	<u> </u>

Forces Support Limited

**Notes of the Financial Statements (continued)
for the year ended 31st March 2023**

10. Tangible fixed assets

	Land and buildings £	Office equipment £	Motor vehicles £	Total £
Cost				
At 1st April 2022	315,000	3,154	76,150	394,304
Additions	-	-	-	-
Disposal	-	-	(24,900)	(24,900)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2023	315,000	3,154	51,250	369,404
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1st April 2022	-	1,801	37,685	39,486
Disposal	-	-	(31,878)	(31,878)
Charge for year	-	714	12,813	13,527
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2023	-	2,515	18,620	21,135
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31st March 2023	315,000	639	32,630	348,269
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2022	315,000	1,353	38,465	354,818
	<hr/>	<hr/>	<hr/>	<hr/>

11. Debtors: amounts falling due within one year

	2023 £	2022 £
Other debtors	35,459	36,570
VAT	13,687	17,937
Prepayments	19,948	9,777
	<hr/>	<hr/>
	69,094	64,284
	<hr/>	<hr/>

12. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	78,662	214,880
Social security and other taxes	-	-
Pensions	4,448	4,165
Accruals	21,362	26,647
	<hr/>	<hr/>
	104,472	245,692
	<hr/>	<hr/>

At the year end the charity trustees had pledged grant support to various charities and causes to the total of £156,500 over the next 2 years. Where there are outstanding conditions or performance criteria for the recipient to meet, these grants are not recognised in creditors because grant is not yet payable. The total of grants that were pledged at the year end and not yet recognised in creditors is £156,500.

Forces Support Limited

**Notes of the Financial Statements (continued)
for the year ended 31st March 2023**

13. Restricted funds

There were no restricted funds in 2023.

	At 1st April 2021 £	Income £	Expenditure £	Transfers £	At 31st March 2022 £
The National Lottery repairs and maintenance fund	-	10,000	(33,524)	23,524	-

The National Lottery repairs and maintenance fund represents funds raised specifically for the purpose of repairs and maintenance work completed in the period. The funds transfer is from unrestricted funds to make up the deficit on this project.

14. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023 £	2022 £
Within one year	114,750	68,066
Between one and five years	277,417	190,420
	<u>392,167</u>	<u>258,486</u>

15. Contingent liability

The charity is party to a number of property leases with varying terms and obligations in respect of dilapidations. Whilst the charity takes measures to minimise any future obligations in this respect, there nonetheless exists the possibility that a future liability may arise on any of the individual leases upon termination of the lease.

16. Related party transactions

There were no related party transactions for the year ended 31st March 2023.

Forces Support Limited
Notes of the Financial Statements (continued)
for the year ended 31st March 2023

17. Reconciliation of net income to net cash flow from operating activities

	2023	2022
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	517,166	426,319
Adjustments for:		
Depreciation charges	13,527	12,023
Profit on disposal of fixed assets	(6,978)	(13,227)
Write back of tangible fixed assets	-	-
Decrease in stocks	-	-
(Increase)/decrease in debtors	(4,810)	8,886
Increase/(decrease) in creditors	(141,220)	(49,007)
Net cash provided by operations	<u>377,685</u>	<u>384,994</u>

Analysis of changes in net funds

	At 1/4/22	Cash flow	At 31/3/23
	£	£	£
Net cash			
Cash at bank and in hand	2,304,603	377,685	2,682,288
	<u>2,304,603</u>	<u>377,685</u>	<u>2,682,288</u>
Total	<u>2,304,603</u>	<u>377,685</u>	<u>2,682,288</u>

Forces Support Limited
Notes of the Financial Statements (continued)
for the year ended 31st March 2023

18. Statement of financial activities for the year ended 31st March 2022

	2022 Unrestricted Fund £	2022 Restricted Fund £	2022 Total Fund £
Income and endowments from			
Donations and legacies	36,691	10,000	46,691
Other trading activities	2,611,974	-	2,611,974
Other income	8,474	-	8,474
Total	<u>2,657,139</u>	<u>10,000</u>	<u>2,667,139</u>
Expenditure on			
Raising funds	1,503,245	-	1,503,245
Charitable activities			
Charitable activity	704,051	33,524	737,575
Total	<u>2,207,296</u>	<u>33,524</u>	<u>2,240,820</u>
Net income	449,843	(23,524)	426,319
Transfers between funds	(23,524)	23,524	-
Net movement in funds	<u>426,319</u>	<u>-</u>	<u>426,319</u>
Reconciliation of funds			
Total funds brought forward	2,051,694	-	2,051,694
Total funds carried forward	<u><u>2,478,013</u></u>	<u><u>-</u></u>	<u><u>2,478,013</u></u>

Forces Support Limited
Detailed Statement of Financial Activities
for the year ended 31st March 2023

	2023 £	2022 £
Income and endowment		
Donations and legacies		
Donations	36,091	46,691
	<hr/> 36,091	<hr/> 46,691
Other trading activities		
Shops – sale of donated goods	2,431,353	2,441,500
Government grants	-	170,474
	<hr/> 2,430,971	<hr/> 2,611,974
Other income		
Other income	10,204	8,474
	<hr/>	<hr/>
Total incoming resources	2,477,648	2,667,139
Expenditure		
Wages and salaries	804,612	777,556
Employers' national insurance	42,593	34,378
Pensions	15,223	30,555
Rent, rates and water	192,584	133,506
Light and heat	99,356	145,728
Repairs and maintenance	5,816	25,727
Insurance	12,985	13,486
Other establishment costs	69,827	52,205
Motor expenses	16,720	13,242
Travel and subsistence	26,109	15,698
Telephone and internet	4,855	4,061
Sundry expenses	-	-
Collection of donated goods	175,934	233,785
Credit card charges	26,199	23,318
	<hr/> 1,492,813	<hr/> 1,503,245
Charitable activities		
Wages and salaries	62,125	62,912
Employers' national insurance	8,101	7,828
Pension	15,371	19,635
Materials purchased	-	787
Legal and professional fees	465	646
Project related purchases	180,823	435,530
	<hr/> 266,885	<hr/> 527,338

Forces Support Limited

**Detailed Statement of Financial Activities (continued)
for the year ended 31st March 2023**

	2023	2022
	£	£
Support costs		
Wages and salaries	80,845	77,823
Employers' national insurance	8,871	7,034
Pension	3,793	4,111
Rent, rates and water	3,917	7,859
Light and heat	2,594	633
Insurance	3,152	2,110
Motor expenses	3,021	3,579
Repairs and maintenance	6,235	39,905
Travel and subsistence	831	2,426
Legal and professional fees	24,709	20,161
Telephone and internet	19,677	17,768
Sundry expenses	4,170	3,707
Bank charges	7,762	7,647
Printing, post and stationery	696	878
Recruitment and training	6,666	4,087
Computer and website expenses	2,544	2,443
Staff welfare	2,083	300
Tangible fixed asset written off/(written back)	-	-
Credit card charges	8,169	4,670
Depreciation of tangible and heritage assets	13,527	12,023
Profit on sale of tangible fixed assets	(6,978)	(13,227)
	<hr/> 196,284	<hr/> 205,937
Governance costs		
Auditor's remuneration	4,500	4,300
	<hr/> 1,960,482	<hr/> 2,240,820
Total resources expenses		
	<hr/> <hr/> 517,166	<hr/> <hr/> 426,319
Net income		