

BUILDING HEROES EDUCATION FOUNDATION

England & Wales · Charity number 1158886

Details

Other names BHEF

Status Registered

Legal form CIO

Registered 2014-10-16

Register [View on the Charity Commission register](#)

Contact

Address Building Heroes
Level 2
Southpoint
Old Brighton Road
Lowfield Heath
CRAWLEY

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Activities

Objects: The objects of the CIO are:1. "For the public benefit to advance the education of (a) ex-armed forces personnel and members of their immediate families and (b) socially and/or economically disadvantaged persons aged 18 and over and (c) other persons who may wish to attend educational courses provided by the Charity for the persons set out in (a) and (b) above in Construction and Horticultural Skills in such ways as the charity trustees think fit, including by providing their education and preparing them for entry to any occupation, trade or profession".2. "To advance in life and help young people through providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals".3. "To promote social inclusion for the public benefit amongst people aged 18 and over who are socially excluded and by preventing ex-armed forces personnel from becoming socially excluded and relieving the needs of those people who are socially excluded and assisting them to integrate into society".FOR THE PURPOSE OF THIS CLAUSE 'SOCIALY EXCLUDED' MEANS BEING EXCLUDED FROM SOCIETY, OR PARTS OF SOCIETY, AS A RESULT OF ONE OF MORE OF THE FOLLOWING FACTORS: UNEMPLOYMENT; FINANCIAL HARDSHIP; YOUTH OR OLD AGE; ILL HEALTH (PHYSICAL OR MENTAL); SUBSTANCE ABUSE OR DEPENDENCY INCLUDING ALCOHOL AND DRUGS; DISCRIMINATION ON THE GROUNDS OF SEX, RACE, DISABILITY, ETHNIC ORIGIN, RELIGION, BELIEF, CREED, SEXUAL ORIENTATION OR GENDER RE-ASSIGNMENT; POOR EDUCATIONAL OR SKILLS ATTAINMENT; RELATIONSHIP AND FAMILY BREAKDOWN; POOR HOUSING (THAT IS HOUSING THAT DOES NOT MEET BASIC HABITABLE STANDARDS; CRIME (EITHER AS A VICTIM OF CRIME OR AS AN OFFENDER REHABILITATING INTO SOCIETY).4. SUCH CHARITABLE PURPOSES FOR THE PUBLIC BENEFIT AS ARE EXCLUSIVELY CHARITABLE ACCORDING TO THE LAWS OF ENGLAND AND WALES AS THE TRUSTEES MAY FROM TIME TO TIME DETERMINE AND WHICH ARE CONSISTENT WITH THE MAIN OBJECTS OF THE CHARITY.

Activities: BUILDING HEROES WAS FORMED WITH THE VISION OF PROVIDING CONSTRUCTION SKILLS, EMPLOYABILITY TRAINING AND WORK EXPERIENCE TO YOUNG UNEMPLOYED ADULTS AND MILITARY VETERANS, WORKING SIDE BY SIDE

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People, Other Defined Groups

Geography

- Cardiff
- Cheshire East
- Darlington
- Devon
- Essex
- Hampshire
- Leicestershire
- West Sussex
- Wiltshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-07-31	£816,369	£722,472	£-6,954	18
2023-07-31	£696,043	£684,352	£-100,851	25
2022-07-31	£694,018	£743,469	£-111,642	21
2021-07-31	£423,948	£460,282	-	-
2020-07-31	£490,258	£242,775	-	-

Trustees

Name	Role	Appointed
Richard Tucker MBE	Chair	2020-03-27
Byron Miller		2024-12-10
Derek Mynott		2024-06-11
Frank Dodson		2024-04-09
Jamie Ian Gibbs		2024-06-11
Jason Lee Glover		2024-12-10
John Glyn Evans		2024-04-09
Michael John Betteridge		2020-05-01
Noel Atkins		2020-01-17
Rose Michelle Augoustie		2024-04-09

BUILDING HEROES EDUCATION FOUNDATION

England & Wales - Charity number 1158886

Accounts

Charity number: 1158886

Building Heroes Education Foundation

Unaudited

Trustees' report and financial statements

For the year ended 31 July 2024

Building Heroes Education Foundation

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Building Heroes Education Foundation

Reference and administrative details of the Charity, its Trustees and advisers For the year ended 31 July 2024

Trustees	P J J Bradbury D L Porter D Barling (resigned 11 June 2024) A Foster (resigned 1 December 2023) M J Betteridge R Tucker MBE, Chair Lt Cdr N Atkins J Whitmore (resigned 10 December 2024) F Dodson (appointed 9 April 2024) J Dale (appointed 9 April 2024) R Augoustie (appointed 9 April 2024) J Evans (appointed 9 April 2024) D Mynott (appointed 11 June 2024) J Gibbs (appointed 11 June 2024) B Miller (appointed 10 December 2024) J Glover (appointed 10 December 2024)
Charity registered number	1158886
Principal office	Level 2, Southpoint Old Brighton Road Lowfield Heath Crawley RH11 OPR
Independent Examiner	Lucy Hammond BSc FCA Kreston Reeves LLP Chartered Accountants 9 Donnington Park 85 Birdham Road Chichester West Sussex PO20 7AJ
Chief Executive Officer	Karen Jefford (to 1 December 2023) Brendan Williams (from 1 December 2023 to 31 May 2024) Christopher Charles (from 1 June 2024)

Building Heroes Education Foundation

Trustees' report

For the year ended 31 July 2024

The Trustees present their annual report together with the financial statements of the Charity for the year 1 August 2023 to 31 July 2024.

The financial statements have been prepared in accordance with the current statutory requirements and comply with the Charity's governing document and the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued (January 2019).

Objectives and activities

a. Objectives and activities

The charity's objectives for the public benefit are:

To **advance education** by providing training and qualifications in construction and horticultural skills to:

- a) former members of the Armed Forces and their immediate families;
- b) individuals aged 18 and over who are socially and/or economically disadvantaged; and
- c) any other persons wishing to participate in the educational programmes provided for the groups in (a) and (b), in such manner as the Trustees deem appropriate, including through education and preparation for entry into skilled trades, occupations, or professions.

To **support young people** in their personal development by offering guidance, training, and practical activities that enhance their skills, capabilities, and confidence, enabling them to play a full and responsible role in society.

To **promote social inclusion** by addressing the needs of socially excluded individuals aged 18 and over, particularly ex-service personnel. This includes preventing social exclusion, relieving the needs of those affected, and helping them to reintegrate into society.

b. Activities undertaken to achieve objectives

To deliver on these objectives, Building Heroes provides the following key services:

- **Training and Skills Development:** We offer fully funded, five-week intensive training programmes in construction and related trades, delivered in partnership with further and higher education providers and industry employers. Participants achieve nationally recognised qualifications, such as City & Guilds Level 1 Diplomas and Health & Safety certification, opening the door to sustainable employment in the construction sector.
- **Employment Support and Career Pathways:** The charity provides tailored career guidance and job brokerage services, connecting graduates with a wide network of employers committed to recruiting from the armed forces community and other disadvantaged backgrounds. We also support progression into self-employment or further education.
- **Welfare and Transition Support:** Recognising the unique challenges faced by service leavers and vulnerable adults, Building Heroes offers welfare and pastoral support, ensuring that learners can fully engage with training and transition successfully into civilian employment.
- **Strategic Partnerships:** We work with a growing network of employers, industry bodies, educational institutions, and community organisations to enhance programme delivery, expand our reach, and ensure our provision remains relevant and impactful.

c. Main activities undertaken to further the Charity's purposes for the public benefit

The main activity of the charity is providing specially tailored fast track training programmes in Construction Skills, Construction engineering, Groundworks and Plant Operations at 10 centres around the country in partnership with Training Providers and Industry Partners, this meets our public benefit obligation outlined in our Aims.

The Trustees confirm that they have complied with the Charities Act to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Building Heroes Education Foundation

Trustees' report (continued) For the year ended 31 July 2024

Achievements and performance

a. Main achievements of the Charity

Building Heroes continued to deliver its sector leading training programmes in 10 centres around the country. Courses were delivered in two main skills areas, Basic Construction Skill and Retrofit Assessors qualification. In total 72 cohorts totalling 656 learners attended courses during this reporting year. This number was below the target of 800 but this was partly due to the temporary closure of the Cardiff Centre. All of these have been or are being remedied in the new financial year.

Financial review

a. Going concern

The Trustees are confident that the Charity can continue as a going concern. See note 2.2 in the financial statements for further details.

b. Reserves policy

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be at a level equivalent to between three- and six-month's expenditure. The Board of Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised.

The last financial year has seen the charity move closer to achieving this aim and with the new CEO's drive to become an Independent Training Provider, we are confident of achieving this level of reserves.

Building Heroes Property Services (BHPS) is a wholly owned Trading Subsidiary which has been provided start-up funds by the charity. It is expected to become self-sufficient during the next financial year but offer no threat to the on-going business of the Charity.

c. Principal risks and uncertainties

Risks

(i) Lack of learners

The Charity would be at risk if it could not recruit sufficient learners but is currently receiving over 2,000 application per year for only 750 places available

(ii) Lack of funding

The Charity has undertaken a series of efforts to diversify its sources of funds and now has no single source which represents more than 25% of its revenues.

(iii) Reduction in AEB funding for our partners to support the courses

There has been no negative indication regarding the availability of funding to support our Level 1 and 2 programmes.

(iv) Failure to attract Customers to BHPS

BHPS has recently expanded its customer base significantly, increased its workforce and improved profitability, this risk is receding.

Building Heroes Education Foundation

Trustees' report (continued) For the year ended 31 July 2024

d. Financial review

As at 31 July 2024 the charity had a deficit on unrestricted funds and total funds of £6,954 (2023: £100,851).

With the focus on Corporate Sponsored Centres the charity has continued with a surplus with a £93,897 turnaround in net movement of funds (2023: (£11,691)).

Major donors included the David Wilson Foundation, The Builders Conference, The Veterans Foundation, the Worshipful Company of Constructors, and the Armed Forces Covenant. Many other smaller donations were received, and we are grateful for every one.

Structure, governance and management

a. Constitution

Building Heroes Education Foundation is a Charitable Incorporated Organisation, registered charity number 1158886 and is established under its constitution dated 1 October 2014 as amended on 21 May 2020.

The members of the Board of Trustees who served during the year and up to the date of signature of the financial statements were:

R Tucker MBE FRSA CFILT FInstLM (Chair)

P J J Bradbury

D L Porter

D Barling - resigned 11 June 2024

A Foster – resigned 10 September 2023

M J Betteridge

Lt Cdr N Atkins

J Whitmore - resigned 10 December 2024

J Dale – appointed 9 April 2024

F Dodson – appointed 9 April 2024

R Augoustie – appointed 9 April 2024

J Evans – appointed 9 April 2024

J Gibbs – appointed 11 June 2024

D Mynott – appointed 11 June 2024

J Glover – appointed 10 December 2024

B Miller - appointed 10 December 2024

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

Every trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the charity trustees in accordance with its constitution. In selecting individuals for appointment as charity trustees, the charity trustees have regard to the skills, knowledge and experience needed for its effective administration.

None of the members of the Board of Trustees has any beneficial interest in the Charity. All of the members of the Board of Trustees are members of the Charity. They have no liability in the event of a winding up.

Building Heroes Education Foundation

Trustees' report (continued)
For the year ended 31 July 2024

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

Financial and Operational Control is exercised by the Chief Executive under fully delegated authority. The Chief Executive meets regularly informally with the Chairman of Trustees and periodically as per the Constitution with the Trustees.

Karen Jefford, was Chief Executive until December 2023 and following her resignation, BHEF founder, Brendan Williams, took over the helm whilst a new CEO was recruited.

In May the new Chief Executive was appointed, and Christopher Charles took up the post on 1st June 2024.

d. Policies adopted for the induction and training of Trustees

The Chief Executive briefs all new Trustees along with the Chairman of Trustees.

e. Pay policy for key management personnel

Remuneration for the Chief Executive is set by the Trustees, all other Senior staff remuneration is managed by the Chief Executive.

f. Related party relationships

The Charity has a revenue sharing agreement with BHPS covering revenues from Recruitment Services which can be generated from the BHPS customer base.

A loan was provided for initial start-up costs.

g. Financial risk management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

Building Heroes is active in multiple business development streams.

We continue to expand our established industry leading academy model, there continue to be several partners in the pipeline awaiting the best opportunity to present itself. We expect to open two new Academies in the next financial year, one focused on Plant and Streetworks and one on Green Skills, with two the year after focused on Green Skills.

Building Heroes Education Foundation

Trustees' report (continued)
For the year ended 31 July 2024

Statement of Trustees' responsibilities

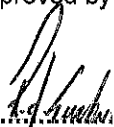
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:


.....
R Tucker MBE FRSA CFILT FInstLM
Trustee
Date:

Building Heroes Education Foundation

Independent examiner's report For the year ended 31 July 2024

Independent examiner's report to the Trustees of Building Heroes Education Foundation ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 July 2024.

Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed: *Kreston Reeves LLP*

Dated: 28/5/2025

Lucy Hammond BSc FCA
Kreston Reeves LLP
Chartered Accountants
9 Donnington Park
85 Birdham Road
Chichester
West Sussex
PO20 7AJ

Building Heroes Education Foundation

Statement of financial activities For the year ended 31 July 2024

	Note	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:				
Donations and legacies	3	410,488	410,488	274,107
Charitable activities	4	404,809	404,809	421,895
Investments	5	1,072	1,072	41
Total income		816,369	816,369	696,043
Expenditure on:				
Charitable activities	6	722,472	722,472	684,352
Total expenditure		722,472	722,472	684,352
Net movement in funds		93,897	93,897	11,691
Reconciliation of funds:				
Total funds brought forward		(100,851)	(100,851)	(112,542)
Net movement in funds		93,897	93,897	11,691
Total funds carried forward		(6,954)	(6,954)	(100,851)

The Statement of financial activities includes all gains and losses recognised in the year.


The notes on pages 11 to 23 form part of these financial statements.

Building Heroes Education Foundation

**Balance sheet
As at 31 July 2024**

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	10	6,400	6,077
Investments	11	100	100
		<u>6,500</u>	<u>6,177</u>
Current assets			
Debtors	12	88,503	91,501
Cash at bank and in hand	18	71,642	97,325
		<u>160,145</u>	<u>188,826</u>
Creditors: amounts falling due within one year	13	(156,742)	(268,997)
		<u>3,403</u>	<u>(80,171)</u>
Net current assets / liabilities			
		<u>9,903</u>	<u>(73,994)</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	14	(16,857)	(26,857)
		<u>(6,954)</u>	<u>(100,851)</u>
Total net assets			
		<u><u>(6,954)</u></u>	<u><u>(100,851)</u></u>
Charity funds			
Restricted funds	15	-	-
Unrestricted funds	15	(6,954)	(100,851)
		<u>(6,954)</u>	<u>(100,851)</u>
Total funds			
		<u><u>(6,954)</u></u>	<u><u>(100,851)</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



R Tucker MBE FRSA CFILT FInstLM
 Trustee

Date:

The notes on pages 11 to 23 form part of these financial statements.

Building Heroes Education Foundation

Statement of cash flows For the year ended 31 July 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	17	44,933	144,271
		<hr/>	<hr/>
Cash flows from investing activities			
Dividends, interests and rents from investments		1,072	41
Purchase of tangible fixed assets		(8,080)	(3,036)
		<hr/>	<hr/>
Net cash used in investing activities		(7,008)	(2,995)
		<hr/>	<hr/>
Cash flows from financing activities			
Repayments of borrowing		(63,608)	(70,000)
		<hr/>	<hr/>
Net cash used in financing activities		(63,608)	(70,000)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(25,683)	71,276
Cash and cash equivalents at the beginning of the year		97,325	26,049
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	18	71,642	97,325
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 11 to 23 form part of these financial statements

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2024

1. General information

Building Heroes Education Foundation is a charitable incorporated organisation established under its constitution dated 1 October 2014 and registered with the Charity Commission on 16 October 2014 and a registered charity number, 1158886.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Building Heroes Education Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in Sterling (£) and rounded to the nearest £1.

2.2 Going concern

These financial statements are prepared on the going concern basis. The Board of Trustees has a reasonable expectation that the Charity will continue in operational existence for the foreseeable future.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity.

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2024

2. Accounting policies (continued)

2.4 Expenditure (continued)

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

2.5 Interest receivable

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 institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 33% per annum
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2.7 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Debtors

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

2.9 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.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2024

2. Accounting policies (continued)

2.11 Financial instruments

The Charity only has 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Unrestricted funds 2024 £	Total funds 2024 £
Donations	7,600	7,600
Grants	402,888	402,888
	<hr/> 410,488 <hr/>	<hr/> 410,488 <hr/>
	Unrestricted funds 2023 £	Total funds 2023 £
Donations	13,894	13,894
Grants	260,213	260,213
	<hr/> 274,107 <hr/>	<hr/> 274,107 <hr/>

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2024

4. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £
Services provided under contract	273,249	273,249
Standard learning credits	131,560	131,560
	<u>404,809</u>	<u>404,809</u>

	Unrestricted funds 2023 £	Total funds 2023 £
Services provided under contract	309,973	309,973
Standard learning credits	111,922	111,922
	<u>421,895</u>	<u>421,895</u>

5. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £
Interest receivable	1,072	1,072
	<u>1,072</u>	<u>1,072</u>

	Unrestricted funds 2023 £	Total funds 2023 £
Interest receivable	41	41
	<u>41</u>	<u>41</u>

Building Heroes Education Foundation

**Notes to the financial statements
For the year ended 31 July 2024**

6. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Total funds 2024 £
Charitable Activities	722,472	722,472
	<hr/> <hr/>	<hr/> <hr/>
	 As restated Activities undertaken directly 2023 £	 As restated Total funds 2023 £
Charitable Activities	684,352	684,352
	<hr/> <hr/>	<hr/> <hr/>

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2024

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2024 £	As restated Total funds 2023 £
Staff costs	463,599	418,034
Depreciation	7,472	7,507
Training projects	47,422	90,905
Advertising	29,733	16,922
Rent	21,796	19,881
Travel and subsistence	32,443	16,283
Telephone and internet	6,306	7,467
Computer costs	5,270	7,972
Insurance	7,640	5,361
Bank charges	3,205	3,224
Consultancy and professional costs	49,182	29,902
Other staff costs	2,941	115
Other office expenses	2,019	1,705
Miscellaneous costs	1,094	9,745
Other charitable expenditure	3,299	1,660
Vehicle contract leases	17,408	7,938
BHPS Commission	20,000	17,083
Bad debts written off	1,298	16,667
Sponsorship expenses	-	5,440
Penalties and Fines	60	130
Loss on asset disposal	285	411
	722,472	684,352

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2024

7. Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examiner fee of £3,650 (2023 - £3,450). This fee is included within other professional costs.

8. Staff costs

	2024 £	2023 £
Wages and salaries	432,440	380,996
Social security costs	25,199	31,090
Contribution to defined contribution pension schemes	5,960	5,948
	<u>463,599</u>	<u>418,034</u>

During the year, a termination payment was made of £20,700 (2023: £Nil). This has been fully accounted for in the year.

The average number of persons employed by the Charity during the year was as follows:

	2024 No.	2023 No.
Employees	<u>18</u>	<u>25</u>

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

	2024 No.	2023 No.
In the band £60,001 - £70,000	-	1

The total employee benefits of the key management personnel of the charity were £102,480 (2023: £110,029) and employer pension contributions were £1,876 (2023: £2,047).

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 July 2024, expenses totalling £1,288 were reimbursed or paid directly to 1 Trustee (2023 - £NIL to Trustee) in relation to accommodation costs.

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2024

10. Tangible fixed assets

	Computer and office equipment £
Cost or valuation	
At 1 August 2023	26,226
Additions	8,080
Disposals	(2,513)
At 31 July 2024	<u>31,793</u>
Depreciation	
At 1 August 2023	20,149
Charge for the year	7,472
On disposals	(2,228)
At 31 July 2024	<u>25,393</u>
Net book value	
At 31 July 2024	<u><u>6,400</u></u>
At 31 July 2023	<u><u>6,077</u></u>

11. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 August 2023	100
At 31 July 2024	<u>100</u>
Net book value	
At 31 July 2024	<u>100</u>
At 31 July 2023	<u>100</u>

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2024

12. Debtors

	2024 £	2023 £
Due within one year		
Trade debtors	22,280	31,847
Amounts owed by group undertakings	34,604	48,992
Prepayments and accrued income	31,619	10,662
	<u>88,503</u>	<u>91,501</u>

13. Creditors: Amounts falling due within one year

	2024 £	2023 £
Bank loans	10,000	10,000
Other loans	-	53,608
Trade creditors	29,645	77,013
Other taxation and social security	15,695	51,108
Other creditors	1,855	1,807
Accruals and deferred income	99,547	75,461
	<u>156,742</u>	<u>268,997</u>

	2024 £	2023 £
Deferred income at 1 August 2023	44,631	53,750
Resources deferred during the year	70,191	44,631
Amounts released from previous periods	(44,631)	(53,750)
	<u>70,191</u>	<u>44,631</u>

Deferred income is in relation to sponsorship and accommodation income received in advance.

14. Creditors: Amounts falling due after more than one year

	2024 £	2023 £
Bank loans	<u>16,857</u>	<u>26,857</u>

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2024

15. Statement of funds

Statement of funds - current year

	Balance at 1 August 2023 £	Income £	Expenditure £	Balance at 31 July 2024 £
Unrestricted funds				
General Funds	<u>(100,851)</u>	<u>816,369</u>	<u>(722,472)</u>	<u>(6,954)</u>

Statement of funds - prior year

	Balance at 1 August 2022 £	Income £	Expenditure £	Balance at 31 July 2023 £
Unrestricted funds				
General Funds	<u>(112,542)</u>	<u>696,043</u>	<u>(684,352)</u>	<u>(100,851)</u>

16. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	6,400	6,400
Fixed asset investments	100	100
Current assets	160,145	160,145
Creditors due within one year	(173,599)	(173,599)
Total	<u>(6,954)</u>	<u>(6,954)</u>

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2024

16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	6,077	6,077
Fixed asset investments	100	100
Current assets	188,826	188,826
Creditors due within one year	(268,997)	(268,997)
Creditors due in more than one year	(26,857)	(26,857)
Total	<u>(100,851)</u>	<u>(100,851)</u>

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net income for the period (as per Statement of Financial Activities)	<u>93,897</u>	11,691
Adjustments for:		
Depreciation charges	7,472	7,507
Dividends, interests and rents from investments	(1,072)	(41)
Loss on the sale of fixed assets	285	411
Increase/(decrease) in creditors	(58,647)	79,813
Increase in debtors	2,998	54,890
Loan written off as donated income	-	(10,000)
Net cash provided by operating activities	<u>44,933</u>	<u>144,271</u>

18. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	71,642	97,325
Total cash and cash equivalents	<u>71,642</u>	<u>97,325</u>

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2024

19. Analysis of changes in net debt

	At 1 August 2023	Cash flows	At 31 July 2024
	£	£	£
Cash at bank and in hand	97,325	(25,683)	71,642
Debt due within 1 year	(63,608)	53,608	(10,000)
Debt due after 1 year	(26,857)	10,000	(16,857)
	<u>6,860</u>	<u>37,925</u>	<u>44,785</u>

20. Operating lease commitments

At 31 July 2024 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	£	£
Not later than 1 year	21,000	20,000
Later than 1 year and not later than 5 years	40,000	61,000
	<u>61,000</u>	<u>81,000</u>

21. Related party transactions

The charity has a 100% subsidiary company, Building Heroes Property Services Limited (BHPS). During the year the charity was charged commission of £20,000 from BHPS (2023: £27,083) for introduced Recruitment Services. The charity received income of £nil (2023: £nil) and incurred expenses of £8,082 (2023: £4,286) on behalf of BHPS. The charity paid a further £15,000 (2023: £15,000) to BHPS during the year as commission for recruitment services which has since been settled in 2024 once accrued commission was invoiced by BHPS. BHPS received income of £nil (2023: £nil) on behalf of the charity. At the year end the charity was owed £34,604 by BHPS (2023: £48,992).

At the end of the prior year the charity had an interest-free and unsecured loan outstanding to Brendan Williams, the acting CEO of Building Heroes Education Foundation and the CEO of BHPS of £53,608. At the end of the current year, the loan balance is £Nil, as the loan had been repaid in full.

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

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2024

22. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Principal activity	Class of shares	Holding
Building Heroes Property Services Ltd	12830457	Provision of property maintenance services	Ordinary shares	100%

The financial results of the subsidiary for the year were:

Name	Profit/(Loss) for the year £	Net assets £
Building Heroes Property Services Ltd	(7,760)	(54,242)

BUILDING HEROES EDUCATION FOUNDATION

England & Wales - Charity number 1158886

Accounts

Charity number: 1158886

Building Heroes Education Foundation

Unaudited

Trustees' report and financial statements

For the year ended 31 July 2023

Building Heroes Education Foundation

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Building Heroes Education Foundation

Reference and administrative details of the Charity, its Trustees and advisers For the year ended 31 July 2023

Trustees	P J J Bradbury D L Porter D Barling A Foster M J Betteridge R Tucker MBE Lt Cdr N Atkins P Findlay (resigned 12 October 2022) J Whitmore (appointed 12 October 2022)
Charity registered number	1158886
Principal office	Level 2, Southpoint Old Brighton Road Lowfield Heath Crawley RH11 OPR
Independent Examiner	Lucy Hammond BSc FCA Kreston Reeves LLP Chartered Accountants 9 Donnington Park 85 Birdham Road Chichester West Sussex PO20 7AJ
Chief Executive Officer	Brendan Williams (until 31 December 2022 and since 9 December 2023) Karen Jefford (from 1 January 2023 until 8 December 2023)

Building Heroes Education Foundation

Trustees' report For the year ended 31 July 2023

The Trustees present their annual report together with the financial statements of the Charity for the year 1 August 2022 to 31 July 2023.

The financial statements have been prepared in accordance with the current statutory requirements and comply with the Charity's governing document and the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued (January 2019).

Objectives and activities

a. Objectives and activities

The charity's objects are:

1. For the public benefit to advance the education of (a) ex-armed forces personnel and members of their immediate families and (b) socially and/or economically disadvantaged persons aged 18 and over and (c) other persons who may wish to attend educational courses provided by the Charity for the persons set out in (a) and (b) above in Construction and Horticultural Skills in such ways as the Charity Trustees think fit, including by providing their education and preparing them for entry to any occupation, trade or profession.
2. To advance in life and help young people through providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.
3. To promote social inclusion for the public benefit amongst people aged 18 and over who are socially excluded and by preventing ex-armed forces personnel from becoming socially excluded and relieving the needs of those people who are socially excluded and assisting them to integrate into society. The Board of Trustees has paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

b. Activities undertaken to achieve objectives

The charity aims to provide a pathway into Construction for Armed Forces Service Leavers and Veterans. This pathway is designed to create multiple opportunities for advancement into the Construction Industry through Employment, Self-Employment or further training. Successful progression meets our aims since these outcomes will lead to less social exclusion and better integration into civilian life.

College based training coupled with on-site academies provide the settings in which the learners can acquire the skills necessary to progress into the industry.

All learners are mentored on opportunities with our Academy Partners and their Supply Chain partners as well as towards the industry at large. They are coached in job search before they attend and during their time with us. All learners are contacted 1, 3 and 6 months post-graduation to ensure their progression is going well.

c. Main activities undertaken to further the Charity's purposes for the public benefit

The main activity of the charity is providing specially tailored fast track training programmes in Construction Skills, Construction engineering, Groundworks and Plant Operations at 14 centres around the country in partnership with Training Providers and Industry Partners, this meets our public benefit obligation outlined in our Aims.

The Trustees confirm that they have complied with the Charities Act to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Building Heroes Education Foundation

Trustees' report (continued) For the year ended 31 July 2023

Achievements and performance

a. Main achievements of the Charity

Building Heroes continued to deliver its sector leading training programmes in 14 centres around the country. Courses were delivered in four main skills areas, Basic Construction Skills, Construction Engineering, Groundworks and Plant Machinery. In total 79 cohorts totalling 633 learners attended courses during this reporting year. This number was below the target of 800 but this was partly due to the cancellation of the Engineering programme, the temporary closure of the Cardiff Centre and the closure of the Civils course in the Northeast. All of these have been or are being remedied in the new financial year.

Financial review

a. Going concern

The Trustees are confident that the Charity can continue as a going concern. See note 2.2 in the financial statements for further details.

b. Reserves policy

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three- and six-month's expenditure. The Board of Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Charity has a very substantial deficiency of funds, but has unsecured, interest free and long-term finance which it considers will be sufficient to enable it to continue its operations. This level has been reduced through the course of the financial year.

Building Heroes Property Services (BHPS) is a wholly owned Trading Subsidiary which has been provided start-up funds by the charity. It is expected to become self-sufficient during the next financial year but offer no threat to the on-going business of the Charity.

c. Principal risks and uncertainties

Risks

- (i) Lack of learners
The Charity would be at risk if it could not recruit sufficient learners but is currently receiving over 2,000 application per year for only 750 places available
- (ii) Lack of funding
The Charity has undertaken a series of efforts to diversify its sources of funds and now has no single source which represents more than 25% of its revenues
- (iii) Reduction in AEB funding for our partners to support the courses
There has been no negative indication regarding the availability of funding to support our Level 1 and 2 programmes
- (iv) Failure to attract Customers to BHPS
BHPS has recently expanded its customer base significantly, increased its workforce and improved profitability, this risk is receding.

Building Heroes Education Foundation

Trustees' report (continued) For the year ended 31 July 2023

d. Financial review

As at 31 July 2023 the charity had a deficit on unrestricted funds and total funds of £100,851 (2022: £112,542).

With the elimination of the two deficit making activities of the previous financial year and a hard focus on Corporate Sponsored Centres the charity has returned to surplus with a £61,142 turnaround in net movement of funds which were 2023: surplus of £11,691 (2022: deficit of £49,451).

Major donors included the David Wilson Foundation, The Garfield Weston Foundation, The Veterans Foundation, Lt Colonel Cohen Trust, the Worshipful Company of Constructors, and the Armed Forces Covenant. Many other smaller donations were received, and we are grateful for every one.

Structure, governance and management

a. Constitution

Building Heroes Education Foundation is a Charitable Incorporated Organisation, registered charity number 1158886 and is established under its constitution dated 1 October 2014 as amended on 21 May 2020..

The members of the Board of Trustees who served during the year and up to the date of signature of the financial statements were:

P J J Bradbury
D L Porter
D Barling
A Foster
M J Betteridge
R Tucker MBE
Lt Cdr N Atkins
P Findlay (resigned 12 October 2022)
J Whitmore (appointed 12 October 2022)

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

Every trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the charity trustees in accordance with its constitution. In selecting individuals for appointment as charity trustees, the charity trustees have regard to the skills, knowledge and experience needed for its effective administration.

None of the members of the Board of Trustees has any beneficial interest in the Charity. All of the members of the Board of Trustees are members of the Charity. They have no liability in the event of a winding up.

Building Heroes Education Foundation

Trustees' report (continued) For the year ended 31 July 2023

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

Financial and Operational Control is exercised by the Chief Executive under fully delegated authority. At the end of the 2021-22 financial year the Chief Executive had been in post since the founding of the Charity and had significant Financial and Operational experience.

The Chief Executive meet regularly informally with the Chairman of Trustees and periodically as per the Constitution with the Trustees.

From 1 January 2023 Karen Jefford was appointed Chief Executive from her position of Chief Operating Officer, she is joined in Senior Management by Harri Kallas who takes the position of General Manager.

On December 6th, 2023, the Chief Executive resigned and was replaced on an interim basis by the founder and previous Chief Executive while a search for a replacement was undertaken. A new Chief Executive has been appointed and will start the role on 3rd June 2024.

d. Policies adopted for the induction and training of Trustees

The Chief Executive briefs all new Trustees along with the Chairman of Trustees.

e. Pay policy for key management personnel

The Chief Executive has been a Volunteer during his entire tenure. Remuneration of all other Senior staff is managed by the Chief Executive.

f. Related party relationships

The Charity has a revenue sharing agreement with BHPS covering revenues from Recruitment Services which can be generated from the BHPS customer base.

A loan was provided for initial start-up costs.

g. Financial risk management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

Building Heroes is active in multiple business development streams.

We continue to work towards completing the move to the industry backed academy model, there continue to be several partners in the pipeline awaiting the best opportunity to present itself. We expect to open three new Academies in the next financial year, two focused on Plant and Streetworks Skills and one on Green Skills, with two the year after focused on Green Skills.

A new stream in Green Skills has been developed in partnership with the Haig Housing Trust and E.ON Energy and is now operational. Further similar partnerships are being sought.

Building Heroes Education Foundation

Trustees' report (continued) For the year ended 31 July 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 & 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 Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:



P J J Bradbury
Trustee
Date: 29/05/2024

Building Heroes Education Foundation

Independent examiner's report For the year ended 31 July 2023

Independent examiner's report to the Trustees of Building Heroes Education Foundation ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 July 2023.

Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement


Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed  Dated: 29 May 2024

Lucy Hammond BSc FCA
Kreston Reeves LLP Chartered Accountants
9 Donnington Park, 85 Birdham Road, Chichester, PO20 7AJ

Building Heroes Education Foundation

Statement of financial activities For the year ended 31 July 2023

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Donations and legacies	3	274,107	274,107	481,946
Charitable activities	4	421,895	421,895	212,072
Investments	5	41	41	-
Total income		696,043	696,043	694,018
Expenditure on:				
Charitable activities		684,352	684,352	743,469
Total expenditure		684,352	684,352	743,469
Net movement in funds		11,691	11,691	(49,451)
Reconciliation of funds:				
Total funds brought forward		(112,542)	(112,542)	(63,091)
Net movement in funds		11,691	11,691	(49,451)
Total funds carried forward		(100,851)	(100,851)	(112,542)

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 11 to 22 form part of these financial statements.

Building Heroes Education Foundation

Balance sheet As at 31 July 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	10	6,077	10,959
Investments	11	100	100
		<u>6,177</u>	<u>11,059</u>
Current assets			
Debtors	12	91,501	146,391
Cash at bank and in hand		97,325	26,049
		<u>188,826</u>	<u>172,440</u>
Creditors: amounts falling due within one year	13	(268,997)	(195,162)
		<u>(80,171)</u>	<u>(22,722)</u>
Net current liabilities		(80,171)	(22,722)
		<u>(73,994)</u>	<u>(11,663)</u>
Total assets less current liabilities		(73,994)	(11,663)
Creditors: amounts falling due after more than one year	14	(26,857)	(100,879)
		<u>(100,851)</u>	<u>(112,542)</u>
Total net assets		(100,851)	(112,542)
Charity funds			
Restricted funds	15	-	-
Unrestricted funds	15	(100,851)	(112,542)
		<u>(100,851)</u>	<u>(112,542)</u>
Total funds		(100,851)	(112,542)

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



P J J Bradbury
Trustee

Date: 29/05/2024

The notes on pages 11 to 22 form part of these financial statements.

Building Heroes Education Foundation

Statement of cash flows For the year ended 31 July 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	17	144,312	(45,055)
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,036)	(10,132)
		<hr/>	<hr/>
Net cash used in investing activities		(3,036)	(10,132)
		<hr/>	<hr/>
Cash flows from financing activities			
Repayments of borrowing		(70,000)	(43,143)
		<hr/>	<hr/>
Net cash used in financing activities		(70,000)	(43,143)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		71,276	(98,330)
Cash and cash equivalents at the beginning of the year		26,049	124,379
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	18	97,325	26,049
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 11 to 22 form part of these financial statements

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2023

1. General information

Building Heroes Education Foundation is a charitable incorporated organisation established under its constitution dated 1 October 2014 and registered with the Charity Commission on 16 October 2014.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Building Heroes Education Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

These financial statements are prepared on the going concern basis. The Board of Trustees has a reasonable expectation that the Charity will continue in operational existence for the foreseeable future. It is reliant on unsecured, interest free long term loan funding and has been assured that no repayment will be sought until funds permit.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

**Notes to the financial statements
For the year ended 31 July 2023**

2. Accounting policies (continued)

2.5 Interest receivable

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 institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 33% per annum
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2.7 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Debtors

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

2.9 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.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2023

2. Accounting policies (continued)

2.11 Financial instruments

The Charity only has 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £
Donations	13,894	13,894
Grants	260,213	260,213
	<hr/> 274,107 <hr/>	<hr/> 274,107 <hr/>
	 Unrestricted funds 2022 £	 Total funds 2022 £
Donations	21,592	21,592
Grants	460,354	460,354
	<hr/> 481,946 <hr/>	<hr/> 481,946 <hr/>

Building Heroes Education Foundation

**Notes to the financial statements
For the year ended 31 July 2023**

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £
Services provided under contract	309,973	309,973
Standard learning credits	111,922	111,922
	<u>421,895</u>	<u>421,895</u>
	Unrestricted funds 2022 £	Total funds 2022 £
Services provided under contract	212,072	212,072
	<u>212,072</u>	<u>212,072</u>

5. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Interest receivable	41	41	-
	<u>41</u>	<u>41</u>	<u>-</u>

6. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Charitable Activities	676,414	7,938	684,352
	<u>676,414</u>	<u>7,938</u>	<u>684,352</u>

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2023

6. Analysis of expenditure by activities (continued)

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Charitable Activities	731,035	12,434	743,469

Analysis of direct costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	418,034	458,117
Depreciation	7,507	8,136
Training projects	90,905	132,754
Advertising	16,922	28,989
Rent	19,881	18,395
Travel and subsistence	16,283	16,270
Telephone and internet	7,467	7,114
Computer costs	7,972	14,562
Insurance	5,361	3,797
Bank charges	3,224	983
Consultancy and professional costs	29,902	12,699
Other staff costs	115	650
Other office expenses	1,705	2,466
Miscellaneous costs	9,745	5,769
Other charitable expenditure	1,660	1,148
BHPS Commission	17,083	19,186
Bad debts written off	16,667	-
Sponsorship expenses	5,440	-
Penalties and Fines	130	-
(Profit)/Loss on asset disposal	411	-
	676,414	731,035

Included within direct costs are staff costs from restricted funds of £Nil (2022: £30,000) and other costs from restricted funds of £Nil (2022: £22,992).

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2023

6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Operating lease charges	7,938	8,659
Governance costs - legal and professional	-	3,775
	<u>7,938</u>	<u>12,434</u>

7. Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examiner fee of £3,450 (2022 - £3,250).

8. Staff costs

	2023 £	2022 £
Wages and salaries	380,996	421,469
Social security costs	31,090	29,407
Contribution to defined contribution pension schemes	5,948	7,241
	<u>418,034</u>	<u>458,117</u>

The average number of persons employed by the Charity during the year was as follows:

	2023 No.	2022 No.
Employees	<u>25</u>	<u>21</u>

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	1	-

The total employee benefits of the key management personnel of the charity were £110,029 (2022: £16,536) and employer pension contributions were £2,047 (2022: £75).

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2023

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 July 2023, no Trustee expenses have been incurred (2022 - £NIL).

10. Tangible fixed assets

	Computer and office equipment £
Cost or valuation	
At 1 August 2022	24,412
Additions	3,036
Disposals	(1,222)
At 31 July 2023	<u>26,226</u>
Depreciation	
At 1 August 2022	13,453
Charge for the year	7,507
On disposals	(811)
At 31 July 2023	<u>20,149</u>
Net book value	
At 31 July 2023	<u><u>6,077</u></u>
At 31 July 2022	<u><u>10,959</u></u>

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2023

11. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 August 2022	100
At 31 July 2023	<u>100</u>
Net book value	
At 31 July 2023	<u>100</u>
At 31 July 2022	<u>100</u>

12. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	31,847	91,621
Amounts owed by group undertakings	48,992	29,706
Other debtors	-	3,271
Prepayments and accrued income	10,662	21,793
	<u>91,501</u>	<u>146,391</u>

13. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	10,000	9,586
Other loans	53,608	60,000
Trade creditors	77,013	38,053
Other taxation and social security	51,108	14,355
Other creditors	(1,807)	(1,743)
Accruals and deferred income	75,461	71,425
	<u>268,997</u>	<u>195,162</u>

Deferred income is in relation to sponsorship and accommodation income received in advance.

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2023

14. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Other loans	<u>26,857</u>	<u>100,879</u>

15. Statement of funds

Statement of funds - current year

	Balance at 1 August 2022 £	Income £	Expenditure £	Balance at 31 July 2023 £
Unrestricted funds				
General Funds	<u>(112,542)</u>	<u>696,043</u>	<u>(684,352)</u>	<u>(100,851)</u>

Statement of funds - prior year

	Balance at 1 August 2021 £	Income £	Expenditure £	Balance at 31 July 2022 £
Unrestricted funds				
General Funds	<u>(116,083)</u>	<u>694,018</u>	<u>(690,477)</u>	<u>(112,542)</u>

Restricted funds

David Wilson Foundation - East Midlands training	30,000	-	(30,000)	-
Lloyd's Patriotic Fund - New Training Centre in Wales	16,067	-	(16,067)	-
Groundwork London - new pathway for Veterans into Construction	2,116	-	(2,116)	-
London Borough of Wandsworth - new opportunities for Wandsworth residents	4,809	-	(4,809)	-
	<u>52,992</u>	<u>-</u>	<u>(52,992)</u>	<u>-</u>
Total of funds	<u>(63,091)</u>	<u>694,018</u>	<u>(743,469)</u>	<u>(112,542)</u>

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2023

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	6,077	6,077
Fixed asset investments	100	100
Current assets	188,826	188,826
Creditors due within one year	(268,997)	(268,997)
Creditors due in more than one year	(26,857)	(26,857)
Total	<u>(100,851)</u>	<u>(100,851)</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	10,959	10,959
Fixed asset investments	100	100
Current assets	172,440	172,440
Creditors due within one year	(195,162)	(195,162)
Creditors due in more than one year	(100,879)	(100,879)
Total	<u>(112,542)</u>	<u>(112,542)</u>

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2023

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	11,691	(49,451)
Adjustments for:		
Depreciation charges	7,507	8,136
Loss on the sale of fixed assets	411	-
Increase in creditors	79,813	99,403
Increase in debtors	54,890	(103,143)
Loan written off as donated income	(10,000)	-
Net cash provided by/(used in) operating activities	144,312	(45,055)

18. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	97,325	26,049
Total cash and cash equivalents	97,325	26,049

19. Analysis of changes in net debt

	At 1 August 2022 £	Cash flows £	Other non- cash changes £	At 31 July 2023 £
Cash at bank and in hand	26,049	71,276	-	97,325
Debt due within 1 year	(69,586)	69,586	(63,608)	(63,608)
Debt due after 1 year	(100,879)	414	73,608	(26,857)
	(144,416)	141,276	10,000	6,860

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2023

20. Operating lease commitments

At 31 July 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	20,000	24,000
Later than 1 year and not later than 5 years	61,000	69,000
	<u>81,000</u>	<u>93,000</u>

21. Related party transactions

The charity has a 100% subsidiary company, Building Heroes Property Services Limited (BHPS). During the year the charity was charged commission of £27,083 from BHPS (2022: £19,186) for introduced Recruitment Services. The charity received income of £nil (2022: £22,142) and incurred expenses of £4,286 (2022: £7,541) on behalf of BHPS. The charity paid a further £15,000 (£nil) to BHPS during the year as commission for recruitment services which has since been settled in 2024 once accrued commission was invoiced by BHPS. BHPS received income of £nil (2022: £25,000) on behalf of the charity. At the year end the charity was owed £48,992 by BHPS (2022: £29,706).

At the year end the charity had an interest-free and unsecured loan outstanding to Brendan Williams, the acting CEO of Building Heroes Education Foundation and the CEO of BHPS of £53,608 (2022: £113,608).

22. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Principal activity	Class of shares	Holding
Building Heroes Property Services Ltd	12830457	Provision of property maintenance services	Ordinary shares	100%

The financial results of the subsidiary for the year were:

Name	Profit/(Loss) for the year £	Net assets £
Building Heroes Property Services Ltd	(13,142)	(46,482)

BUILDING HEROES EDUCATION FOUNDATION

England & Wales - Charity number 1158886

Accounts

Charity number: 1158886

Building Heroes Education Foundation

Unaudited

Trustees' report and financial statements

For the year ended 31 July 2022

Building Heroes Education Foundation

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Building Heroes Education Foundation

Reference and administrative details of the Charity, its Trustees and advisers For the year ended 31 July 2022

Trustees	P J J Bradbury D L Porter D Barling A Foster M J Betteridge R Tucker MBE Lt Cdr N Atkins P Findlay (resigned 12 October 2022) J Whitmore (appointed 12 October 2022)
Charity registered number	1158886
Principal office	Chartwell 5 Amberley Court Whitworth Road Crawley RH11 7XL
Independent Examiner	Lucy Hammond BSc FCA Kreston Reeves LLP Chartered Accountants 9 Donnington Park 85 Birdham Road Chichester West Sussex PO20 7AJ
Chief Executive Officer	Brendan Williams (until 31 December 2022) Karen Jefford (from 1 January 2023)

Building Heroes Education Foundation

Trustees' report

For the year ended 31 July 2022

The Trustees present their annual report together with the financial statements of the Charity for the year 1 August 2021 to 31 July 2022.

The financial statements have been prepared in accordance with the current statutory requirements and comply with the Charity's governing document and the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued (January 2019).

Objectives and activities

a. Objectives and activities

The charity's objects are:

1. For the public benefit to advance the education of (a) ex-armed forces personnel and members of their immediate families and (b) socially and/or economically disadvantaged persons aged 18 and over and (c) other persons who may wish to attend educational courses provided by the Charity for the persons set out in (a) and (b) above in Construction and Horticultural Skills in such ways as the Charity Trustees think fit, including by providing their education and preparing them for entry to any occupation, trade or profession.
2. To advance in life and help young people through providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.
3. To promote social inclusion for the public benefit amongst people aged 18 and over who are socially excluded and by preventing ex-armed forces personnel from becoming socially excluded and relieving the needs of those people who are socially excluded and assisting them to integrate into society. The Board of Trustees has paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

b. Activities undertaken to achieve objectives

The charity aims to provide a pathway into Construction for Armed Forces Service Leavers and Veterans. This pathway is designed to create multiple opportunities for advancement into the Construction Industry through Employment, Self-Employment or further training. Successful progression meets our aims since these outcomes will lead to less social exclusion and better integration into civilian life.

College based training coupled with on-site academies provide the settings in which the learners can acquire the skills necessary to progress into the industry.

All learners are mentored on opportunities with our Academy Partners and their Supply Chain partners as well as towards the industry at large. They are coached in job search before they attend and during their time with us. All learners are contacted 1, 3 and 6 months post-graduation to ensure their progression is going well.

c. Main activities undertaken to further the Charity's purposes for the public benefit

The main activity of the charity is providing specially tailored fast track training programmes in Construction Skills, Construction engineering, Groundworks and Plant Operations at 14 centres around the country in partnership with Training Providers and Industry Partners, this meets our public benefit obligation outlined in our Aims.

The Trustees confirm that they have complied with the Charities Act to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Building Heroes Education Foundation

Trustees' report (continued) For the year ended 31 July 2022

Achievements and performance

a. Main achievements of the Charity

Building Heroes continued to deliver its sector leading training programmes in 14 centres around the country. Courses were delivered in four main skills areas, Basic Construction Skills, Construction Engineering, Groundworks and Plant Machinery. In total 79 cohorts totalling 609 learners attended courses during this reporting year. This number was below the target of 800 but this was partly due to the tail end of the pandemic and many Service personnel being retained within the Forces to manage the pandemic response.

Financial review

a. Going concern

The Trustees are confident that the Charity can continue as a going concern. See note 2.2 in the financial statements for further details.

b. Reserves policy

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Board of Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Charity has a very substantial deficiency of funds, but has unsecured, interest free and long term finance which it considers will be sufficient to enable it to continue its operations.

Building Heroes Property Services (BHPS) is a wholly owned Trading Subsidiary which has been provided start up funds by the charity. It is expected to become self sufficient during the next financial year but offer no threat to the on-going business of the Charity.

c. Principal risks and uncertainties

Risks

- (i) **Lack of learners**
The Charity would be at risk if it could not recruit sufficient learners but is currently receiving over 2,000 application per year for only 750 places available
- (ii) **Lack of funding**
The Charity has undertaken a series of efforts to diversify its sources of funds and now has no single source which represents more than 25% of its revenues
- (iii) **Reduction in AEB funding for our partners to support the courses**
There has been no negative indication regarding the availability of funding to support our Level 1 and 2 programmes
- (iv) **Failure to attract Customers to BHPS**
Following a concentration on a single customer BHPS has now expanded its client base and should be protected from the failure of any single client.

Building Heroes Education Foundation

Trustees' report (continued) For the year ended 31 July 2022

d. Financial review

As at 31 July 2022 the charity had a deficit on unrestricted funds and total funds of £112,542 (2021: restricted funds £52,992 and a deficit on unrestricted funds of £116,083).

The tail end of the pandemic and some failed new initiatives put the charity under cash pressure but these had turned by the end of the year and new academy sponsors significantly reduced any anxiety over future viability.

The Adult Education budget funding we were awarded was used to fund out Groundworks and Plant Operations Courses, sadly these proved too costly to continue to operate ourselves and we did not renew our AEB funding for the next academic year. We have now moved these programmes back into our partner funded model and have significant interest around the country.

Similarly, we were fortunate to be invited to help deliver the first phase of Government Funded Skills Bootcamps, sadly our delivery partner was unable to provide the necessary facilities to make this work.

Together the AEB and Bootcamp initiatives have proved very costly to the charity incurring net expense in excess of £50,000 which is reflected in the overall performance of the charity this year.

These activities have been ceased and will create no further financial liability to the charity.

Structure, governance and management

a. Constitution

Building Heroes Education Foundation is a charitable incorporated organisation, registered charity number 1158886 and is established under its constitution dated 1 October 2014.

The members of the Board of Trustees who served during the year and up to the date of signature of the financial statements were:

P J J Bradbury

D L Porter

D Barling

A Foster

M J Betteridge

R Tucker MBE

Lt Cdr N Atkins

P Findlay (resigned 12 October 2022)

J Whitmore (appointed 12 October 2022)

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

Every trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the charity trustees in accordance with its constitution. In selecting individuals for appointment as charity trustees, the charity trustees have regard to the skills, knowledge and experience needed for its effective administration.

None of the members of the Board of Trustees has any beneficial interest in the Charity. All of the members of the Board of Trustees are members of the Charity. They have no liability in the event of a winding up.

Building Heroes Education Foundation

Trustees' report (continued)
For the year ended 31 July 2022

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

Financial and Operational Control is exercised by the Chief Executive under fully delegated authority. At the end of the 2021-22 financial year the Chief Executive had been in post since the founding of the Charity and had significant Financial and Operational experience.

The Chief Executive meet regularly informally with the Chairman of Trustees and periodically as per the Constitution with the Trustees.

From 1 January 2023 Karen Jefford was appointed Chief Executive from her position of Chief Operating Officer, she is joined in Senior Management by Harri Kallas who takes the position of General Manager.

d. Policies adopted for the induction and training of Trustees

The Chief Executive briefs all new Trustees along with the Chairman of Trustees.

e. Pay policy for key management personnel

The Chief Executive has been a Volunteer during his entire tenure. Remuneration of all other Senior staff is managed by the Chief Executive.

f. Related party relationships

The Charity has a revenue sharing agreement with BHPS covering revenues from Recruitment Services which can be generated from the BHPS customer base.

A loan was provided for initial start-up costs.

g. Financial risk management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

Building Heroes is active in multiple business development streams.

We are working towards completing the move to the industry backed academy model, there are several partners in the pipeline awaiting the best opportunity to present itself.

A new stream in Green Skills is being explored in partnership with a BHPS customer and a major energy company.

Building Heroes Education Foundation

Trustees' report (continued) For the year ended 31 July 2022

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 & 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 Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Pete Bradbury

P J J Bradbury
Trustee
Date:

30th May 2023

Building Heroes Education Foundation

Independent examiner's report For the year ended 31 July 2022

Independent examiner's report to the Trustees of Building Heroes Education Foundation ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 July 2022.

Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

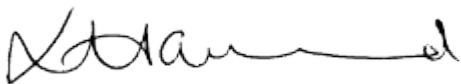
Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:  Dated: 30 May 2023

Lucy Hammond BSc FCA
Kreston Reeves LLP Chartered Accountants
9 Donnington Park, 85 Birdham Road, Chichester, PO20 7AJ

Building Heroes Education Foundation

Statement of financial activities For the year ended 31 July 2022

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	-	481,946	481,946	263,569
Charitable activities	4	-	212,072	212,072	160,379
Total income		-	694,018	694,018	423,948
Expenditure on:					
Charitable activities	5	52,992	690,477	743,469	460,282
Total expenditure		52,992	690,477	743,469	460,282
Net movement in funds		(52,992)	3,541	(49,451)	(36,334)
Reconciliation of funds:					
Total funds brought forward		52,992	(116,083)	(63,091)	(26,757)
Net movement in funds		(52,992)	3,541	(49,451)	(36,334)
Total funds carried forward		-	(112,542)	(112,542)	(63,091)

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 11 to 23 form part of these financial statements.

Building Heroes Education Foundation

Balance sheet As at 31 July 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	9	10,959	8,963
Investments	10	100	100
		<u>11,059</u>	<u>9,063</u>
Current assets			
Debtors	11	146,391	57,844
Cash at bank and in hand		26,049	124,379
		<u>172,440</u>	<u>182,223</u>
Creditors: amounts falling due within one year	12	(195,162)	(103,912)
		<u>(22,722)</u>	<u>78,311</u>
Net current liabilities / assets			
		<u>(11,663)</u>	<u>87,374</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	13	(100,879)	(150,465)
		<u>(112,542)</u>	<u>(63,091)</u>
Total net assets			
Charity funds			
Restricted funds	14	-	52,992
Unrestricted funds	14	(112,542)	(116,083)
		<u>(112,542)</u>	<u>(63,091)</u>
Total funds			

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Pete Bradbury

P J J Bradbury
Trustee

Date: 30th May 2023

The notes on pages 11 to 23 form part of these financial statements.

Building Heroes Education Foundation

Statement of cash flows For the year ended 31 July 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	16	(45,055)	(80,385)
Cash flows from investing activities			
Purchase of tangible fixed assets		(10,132)	(7,609)
Purchase of investments		-	(100)
Net cash used in investing activities		(10,132)	(7,709)
Cash flows from financing activities			
Repayments of borrowing		(43,143)	(20,000)
Net cash used in financing activities		(43,143)	(20,000)
Change in cash and cash equivalents in the year		(98,330)	(108,094)
Cash and cash equivalents at the beginning of the year		124,379	232,473
Cash and cash equivalents at the end of the year	17	26,049	124,379

The notes on pages 11 to 23 form part of these financial statements

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2022

1. General information

Building Heroes Education Foundation is a charitable incorporated organisation established under its constitution dated 1 October 2014 and registered with the Charity Commission on 16 October 2014.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Building Heroes Education Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

These financial statements are prepared on the going concern basis. The Board of Trustees has a reasonable expectation that the Charity will continue in operational existence for the foreseeable future. It is reliant on unsecured, interest free long term loan funding and has been assured that no repayment will be sought until funds permit.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

**Notes to the financial statements
For the year ended 31 July 2022**

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 33% per annum
------------------	-----------------

2.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.7 Debtors

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

2.8 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.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.10 Financial instruments

The Charity only has 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2022

2. Accounting policies (continued)

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Donations	-	21,592	21,592
Grants	-	460,354	460,354
	<hr/>	<hr/>	<hr/>
	-	481,946	481,946
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Donations	-	264	264
Grants	151,187	112,118	263,305
	<hr/>	<hr/>	<hr/>
	151,187	112,382	263,569
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2022

4. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £
Services provided under contract	212,072	212,072

	Unrestricted funds 2021 £	Total funds 2021 £
Services provided under contract	160,379	160,379

5. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Direct costs - Charitable Activities	731,035	12,434	743,469

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Direct costs - Charitable Activities	447,396	12,886	460,282

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2022

5. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	458,117	303,271
Depreciation	8,136	4,238
Training projects	132,754	58,871
Advertising	28,989	3,264
Rent	18,395	10,439
Travel and subsistence	16,270	6,341
Telephone and internet	7,114	5,455
Computer costs	14,562	13,575
Insurance	3,797	1,147
Bank charges	983	214
Consultancy and professional costs	12,699	26,553
Other staff costs	650	4,409
Other office expenses	2,466	1,210
Miscellaneous costs	5,769	380
Other charitable expenditure	1,148	8,029
BHPS Commission	19,186	-
	731,035	447,396

Included within direct costs are staff costs from restricted funds of £30,000 (2021: £149,571) and other costs from restricted funds of £22,992 (2021: £41,472).

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Operating lease charges	8,659	8,886
Governance costs - legal and professional	3,775	4,000
	12,434	12,886

6. Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examiner fee of £3,250 (2021 - £4,000).

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2022

7. Staff costs

	2022	2021
	£	£
Wages and salaries	421,469	281,660
Social security costs	29,407	17,767
Contribution to defined contribution pension schemes	7,241	3,844
	458,117	303,271

The average number of persons employed by the Charity during the year was as follows:

	2022	2021
	No.	No.
Employees	21	14

No employee received remuneration amounting to more than £60,000 in either year.

The total employee benefits of the key management personnel of the charity were £16,536 and employer pension contributions were £75.

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 July 2022, no Trustee expenses have been incurred (2021 - £NIL).

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2022

9. Tangible fixed assets

	Computer and office equipment £
Cost or valuation	
At 1 August 2021	14,280
Additions	10,132
	<hr/>
At 31 July 2022	24,412
	<hr/>
Depreciation	
At 1 August 2021	5,317
Charge for the year	8,136
	<hr/>
At 31 July 2022	13,453
	<hr/>
Net book value	
At 31 July 2022	10,959
	<hr/> <hr/>
At 31 July 2021	8,963
	<hr/> <hr/>

10. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 August 2021	100
	<hr/>
At 31 July 2022	100
	<hr/> <hr/>
Net book value	
At 31 July 2022	100
	<hr/>
At 31 July 2021	100
	<hr/> <hr/>

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2022

11. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	91,621	51,480
Amounts owed by group undertakings	29,706	-
Other debtors	3,271	3,200
Prepayments and accrued income	21,793	3,164
	<u>146,391</u>	<u>57,844</u>

12. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	9,586	3,143
Other loans	60,000	60,000
Trade creditors	38,053	12,371
Amounts owed to group undertakings	-	693
Other taxation and social security	14,355	-
Other creditors	1,743	2,255
Accruals and deferred income	71,425	25,450
	<u>195,162</u>	<u>103,912</u>

Deferred income is in relation to sponsorship and accommodation income received in advance.

13. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Other loans	<u>100,879</u>	<u>150,465</u>

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2022

14. Statement of funds

Statement of funds - current year

	Balance at 1 August 2021 £	Income £	Expenditure £	Balance at 31 July 2022 £
Unrestricted funds				
General Funds	<u>(116,083)</u>	<u>694,018</u>	<u>(690,477)</u>	<u>(112,542)</u>
Restricted funds				
David Wilson Foundation - East Midlands training	30,000	-	(30,000)	-
Lloyd's Patriotic Fund - New Training Centre in Wales	16,067	-	(16,067)	-
Groundwork London - new pathway for Veterans into Construction	2,116	-	(2,116)	-
London Borough of Wandsworth - new opportunities for Wandsworth residents	4,809	-	(4,809)	-
	<u>52,992</u>	<u>-</u>	<u>(52,992)</u>	<u>-</u>
Total of funds	<u><u>(63,091)</u></u>	<u><u>694,018</u></u>	<u><u>(743,469)</u></u>	<u><u>(112,542)</u></u>

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2022

14. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2020 £	Income £	Expenditure £	Balance at 31 July 2021 £
Unrestricted funds				
General Funds	(119,605)	272,761	(269,239)	(116,083)
Restricted funds				
David Wilson Foundation - East Midlands training	59,000	67,000	(96,000)	30,000
Lloyd's Patriotic Fund - New Training Centre in Wales	-	19,000	(2,933)	16,067
Groundwork London - new pathway for Veterans into Construction	-	5,642	(3,526)	2,116
London Borough of Wandsworth - new opportunities for Wandsworth residents	-	4,809	-	4,809
Veterans Foundation - staff for geographical expansion	25,000	-	(25,000)	-
BFBS Big Salute - Workwear	8,848	-	(8,848)	-
Armed Forces Covenant Trust Positive Pathways	-	33,250	(33,250)	-
National Lottery - Remote learning and reskilling	-	19,616	(19,616)	-
Other grants	-	1,870	(1,870)	-
	<u>92,848</u>	<u>151,187</u>	<u>(191,043)</u>	<u>52,992</u>
Total of funds	<u>(26,757)</u>	<u>423,948</u>	<u>(460,282)</u>	<u>(63,091)</u>

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2022

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	10,959	10,959
Fixed asset investments	100	100
Current assets	187,036	187,036
Creditors due within one year	(159,758)	(159,758)
Creditors due in more than one year	(150,879)	(150,879)
Total	<u>(112,542)</u>	<u>(112,542)</u>

Analysis of net assets between funds - prior year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	8,963	8,963
Fixed asset investments	-	100	100
Current assets	52,992	129,231	182,223
Creditors due within one year	-	(103,912)	(103,912)
Creditors due in more than one year	-	(150,465)	(150,465)
Total	<u>52,992</u>	<u>(116,083)</u>	<u>(63,091)</u>

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(49,451)	(36,334)
Adjustments for:		
Depreciation charges	8,136	4,124
Loss on the sale of fixed assets	-	114
Increase/(decrease) in creditors	99,403	(14,440)
Increase in debtors	(103,143)	(33,849)
Net cash used in operating activities	<u>(45,055)</u>	<u>(80,385)</u>

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2022

17. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	26,049	124,379
Total cash and cash equivalents	26,049	124,379

18. Analysis of changes in net debt

	At 1 August 2021 £	Cash flows £	Other non- cash changes £	At 31 July 2022 £
Cash at bank and in hand	124,379	(98,330)	-	26,049
Debt due within 1 year	(63,143)	43,143	(49,586)	(69,586)
Debt due after 1 year	(150,465)	-	49,586	(100,879)
	(89,229)	(55,187)	-	(144,416)

19. Operating lease commitments

At 31 July 2022 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	24,000	37,000
Later than 1 year and not later than 5 years	69,000	83,000
	93,000	120,000

20. Related party transactions

The charity has a 100% subsidiary company, Building Heroes Property Services Limited (BHPS). During the year the charity was charged commission of £19,186 from BHPS (2021: £nil). The charity received income of £22,142 (£nil) and incurred expenses of £7,541 (2021: £24,407) on behalf of BHPS. BHPS received income of £25,000 (2021: £45,000) on behalf of the charity. At the year end the charity was owed £29,706 by BHPS (2021: the charity owed £693 to BHPS).

At the year end the charity had an interest-free and unsecured loan outstanding to Brendan Williams of £113,608 (2021: £153,608).

Building Heroes Education Foundation

Notes to the financial statements For the year ended 31 July 2022

21. Post balance sheet events

After the balance sheet date an outstanding loan balance of £10,000 was gifted to the charity. At the year end this balance is within creditors due within one year.

22. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Principal activity	Class of shares	Holding
Building Heroes Property Services Ltd	12830457	Provision of property maintenance services	Ordinary shares	100%

The financial results of the subsidiary for the year were:

Name	Profit/(Loss) for the year £	Net assets £
Building Heroes Property Services Ltd	(9,072)	(33,340)

BUILDING HEROES EDUCATION FOUNDATION

England & Wales - Charity number 1158886

Accounts

Charity Registration No. 1158886

BUILDING HEROES EDUCATION FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

BUILDING HEROES EDUCATION FOUNDATION
LEGAL AND ADMINISTRATIVE INFORMATION

Board Of Trustees

P J J Bradbury
D L Porter
D Barling
A Foster
M J Betteridge
R Tucker MBE
Lt Cdr N Atkins
P Findlay

Charity number

1158886

Independent examiner

William Daniels FCA, CTA
Suite 11
33-34 Gleaming Wood Drive
Chatham
Kent
ME5 8RZ

BUILDING HEROES EDUCATION FOUNDATION

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BUILDING HEROES EDUCATION FOUNDATION

BOARD'S REPORT

FOR THE YEAR ENDED 31 JULY 2021

The Board of Trustees presents its report and financial statements for the year ended 31 July 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's constitution, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charity's objects are:

1. For the public benefit to advance the education of (a) ex-armed forces personnel and members of their immediate families and (b) socially and/or economically disadvantaged persons aged 18 and over and (c) other persons who may wish to attend educational courses provided by the Charity for the persons set out in (a) and (b) above in Construction and Horticultural Skills in such ways as the charity trustees think fit, including by providing their education and preparing them for entry to any occupation, trade or profession.
2. To advance in life and help young people through providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.
3. To promote social inclusion for the public benefit amongst people aged 18 and over who are socially excluded and by preventing ex-armed forces personnel from becoming socially excluded and relieving the needs of those people who are socially excluded and assisting them to integrate into society.

The Board of Trustees has paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

BUILDING HEROES EDUCATION FOUNDATION

BOARD'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

Achievements and performance

We came into the year operating at ten centres and even with the pandemic we leave with twelve centres operational and more planned to be added early in the next year. Coalville College was added in September 2020 with 40 learners graduating in the year and Sherford, Plymouth was added in March 2021 graduating another 45. These additions follow our strategy to locate training centres near the large volumes of serving personnel as well as large number of veterans. This has led to very healthy numbers attending from day one at each centre.

Yet again 2020-21 was a year impacted by COVID-19. Most of our FE partners were closed for the entire Spring Term meaning we again lost approximately 250 learners in the year.

Overall training volumes numbered 55 cohorts containing 515 learners for the academic year 2020-21, a 61% increase in learners over the previous year. However, had we delivered all our potential courses we would have delivered over 750 places which would have been an increase of over 135%. With the uncertainty surrounding College opening during the pandemic, it is difficult to predict numbers for the next academic year, if we are fully open, we expect to be able to offer over 880 places.

Applications for all our courses is currently running in excess of 1,500 per year generating a significant waiting list but with expansion plans we hope we will be able to satisfy that level of demand within one to two years.

We continue to be able to draw upon the Adult Education Budgets of the partner colleges to fund training for the financial year 2021-22 thereby significantly reducing the financial burden on the charity. All residential costs were met by contributions from other charities including the Royal British Legion, SSAFA and many of the relevant Regimental Funds.

We have continued to qualify for ESF funding from Coast to Capital LEP, Middlesbrough Council, Wiltshire Council, Wandsworth Council and the Paddington Development Trust to cover certain of the costs of our programmes.

Our collaboration with FIS, the finishes and interiors sector body, continues to enable us to access additional funding to cover our costs. We are very thankful for this on-going relationship.

We have received support from a number of donors including, The David Wilson Foundation, The Veterans Foundation, The Royal British Legion, Frimley Golf Club, the BFBS Big Salute, the Lloyds Patriotic Fund and the National Lottery, as well as a number of smaller organisations and private individuals. Without these kind donations we would struggle to continue our delivery at our current level and would certainly not have been able to expand in the way we have.

Our expansion into further programmes including Groundworks and Civils had to take a back seat during the pandemic but we have start dates set in the next academic year. We have been fortunate to find employers to work with us on the Groundworks & Civils programme and will be working with Ringway/Eurovia and Costain in the next academic year to commence delivery in Wiltshire and Blaydon respectively. We are also looking at the possibility of delivering Plant Operations training, there is a major shortage of Plant Operatives, and we will pilot this next year and review at the end of the period as to its relevance and popularity.

BUILDING HEROES EDUCATION FOUNDATION

BOARD'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

Davidsons Group from Leicestershire became our first Building Heroes 2.0 On-site Academy partner based in Ibstock in the East Midlands, we have now moved delivery out of our partner college Vision West Notts College and into a purpose-built Skills Centre at the Davidsons Headquarters. A second partner has been found in Regal London plc a mid-size multi use developer based in London and an on-site Academy will be established on one of their sites soon. Further sites are being discussed with Cardiff a front-runner for moving on-site. We would like to move our entire delivery operation on-site by the end of Academic year 2022-23.

Having now graduated nearly 1,500 learners in our history we are now operating a fledgling trading organisation, staffed by our graduates and other Veterans, offering direct to the consumer and business to business property maintenance services. The first half year has proved to be eye opening, what we imagined would be a mainly Business-to-Consumer business has rapidly developed into a Business-to-Business operation. We believe that within three years this business operation could provide all the funding necessary to run the charity.

We have applied for and been granted a direct grant from the ESFA for Adult Education Budget. This will enable us to re-establish Building Heroes as an Independent Training Provider in our own right. We will be using this budget to deliver our Plant and Groundworks programmes.

We have been appointed as the Construction Skills Hub Operator for the CITB Skills Hub in the Swindon and Wiltshire LEP area, this is a three-year contract and underlines our position in both the construction industry and as a recognised specialist in military reskilling.

The Trustees have strengthened with now eight appointed covering a wider geographical spread which will enable stronger regional links. The Trustees have now also formally appointed a Vice Chairman. We believe each of these actions will improve our overall Governance.

We end 2020-21 in a much healthier position than we came in with volumes increasing and new sources of funds available to us, planned volume for 2021-22 is 880 learners across our twelve partner colleges and Academies. New delivery centres using the 2.0 model are planned in South Wales and maybe Scotland.

Building Heroes continues to be the largest Military to Construction Charity in the UK whether measured by beneficiaries or turnover, by adopting a collaborative approach we are heavily embedded in the body of Military Charities supporting our beneficiaries, as a member of COBSEO we are involved in creating a healthier and happier future for all Military Veterans, the future continues to look very positive.

BUILDING HEROES EDUCATION FOUNDATION

BOARD'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

Financial review

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Board of Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Charity has a very substantial deficiency of funds, but has secured unsecured, interest free and long term finance which it considers will be sufficient to enable it to continue its operations.

The Board of Trustees has assessed the major risks to which the Charity is exposed, and is satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The Charity is a charitable incorporated organisation established under its constitution dated 1 October 2014 and registered with the Charity Commission on 16 October 2014.

The members of the Board of Trustees who served during the year and up to the date of signature of the financial statements were:

P J J Bradbury

D L Porter

D Barling

A Foster

M J Betteridge

R Tucker MBE

Lt Cdr N Atkins

P Findlay

Every trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the charity trustees in accordance with its constitution. In selecting individuals for appointment as charity trustees, the charity trustees have regard to the skills, knowledge and experience needed for its effective administration.

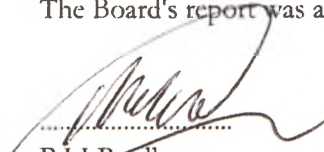
None of the members of the Board of Trustees has any beneficial interest in the Charity. All of the members of the Board of Trustees are members of the Charity. They have no liability in the event of a winding up.

BUILDING HEROES EDUCATION FOUNDATION

BOARD'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

The Board's report was approved by the Board of Trustees.



.....
P J J Bradbury
Trustee

Date:

BUILDING HEROES EDUCATION FOUNDATION

STATEMENT OF BOARD'S RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2021

The Board of Trustees is responsible for preparing the Board's 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 Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

In preparing these financial statements, the Board of Trustees is 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 charity will continue in operation.

The Board of Trustees is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BUILDING HEROES EDUCATION FOUNDATION

INDEPENDENT EXAMINER'S REPORT

TO THE BOARD OF TRUSTEES OF BUILDING HEROES EDUCATION FOUNDATION

I report to the Board of Trustees on my examination of the financial statements of Building Heroes Education Foundation (the Charity) for the year ended 31 July 2021.

Responsibilities and basis of report

As the Board of Trustees of the Charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the Charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

- 1 accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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

BUILDING HEROES EDUCATION FOUNDATION

INDEPENDENT EXAMINER'S REPORT (CONTINUED)

**TO THE BOARD OF TRUSTEES OF BUILDING HEROES EDUCATION
FOUNDATION**

William Daniels FCA, CTA
Suite 11
33-34 Gleaming Wood Drive
Chatham
Kent
ME5 8RZ



Dated: 14/3/22

BUILDING HEROES EDUCATION FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2021

		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		funds	funds		funds	funds	
		2021	2021	2021	2020	2020	2020
Notes		£	£	£	£	£	£
<u>Income from:</u>							
Donations and legacies	3	112,382	151,187	263,569	112,279	92,000	204,279
Charitable activities	4	160,379	-	160,379	265,759	-	265,759
Other trading activities	5	-	-	-	20,220	-	20,220
Total income		<u>272,761</u>	<u>151,187</u>	<u>423,948</u>	<u>398,258</u>	<u>92,000</u>	<u>490,258</u>
<u>Expenditure on:</u>							
Raising funds	6	-	-	-	5,337	-	5,337
Charitable activities	7	269,239	191,043	460,282	209,151	28,287	237,438
Total resources expended		<u>269,239</u>	<u>191,043</u>	<u>460,282</u>	<u>214,488</u>	<u>28,287</u>	<u>242,775</u>
Net income/(expenditure) for the year/							
Net movement in funds		3,522	(39,856)	(36,334)	183,770	63,713	247,483
Fund balances at 1 August 2020		(119,605)	92,848	(26,757)	(303,375)	29,135	(274,240)
Fund balances at 31 July 2021		<u>(116,083)</u>	<u>52,992</u>	<u>(63,091)</u>	<u>(119,605)</u>	<u>92,848</u>	<u>(26,757)</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

BUILDING HEROES EDUCATION FOUNDATION

BALANCE SHEET

AS AT 31 JULY 2021

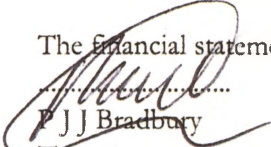
	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	11		8,963		5,592
Investments	12		100		-
			<u>9,063</u>		<u>5,592</u>
Current assets					
Debtors	13	57,844		23,995	
Cash at bank and in hand		124,379		232,473	
		<u>182,223</u>		<u>256,468</u>	
Creditors: amounts falling due within one year					
Loans and overdrafts	14	63,443		60,000	
Taxation and social security		-		3,094	
Other creditors	15	40,469		52,115	
		<u>103,912</u>		<u>115,209</u>	
Net current assets			<u>78,311</u>		<u>141,259</u>
Total assets less current liabilities			87,374		146,851
Creditors: amounts falling due after more than one year	16		(150,465)		(173,608)
Net liabilities			<u>(63,091)</u>		<u>(26,757)</u>
Income funds					
Restricted funds	17		52,992		92,848
Unrestricted funds			(116,083)		(119,605)
			<u>(63,091)</u>		<u>(26,757)</u>

BUILDING HEROES EDUCATION FOUNDATION

BALANCE SHEET (CONTINUED)

AS AT 31 JULY 2021

The financial statements were approved by the Board of Trustees on


.....
P J J Bradbury
Trustee

BUILDING HEROES EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

Charity information

Building Heroes Education Foundation is a charitable incorporated organisation established under its constitution dated 1 October 2014 and registered with the Charity Commission on 16 October 2014.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's constitution, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements are prepared on the going concern basis. The Board of Trustees has a reasonable expectation that the Charity will continue in operational existence for the foreseeable future, however, the Board of Trustees are aware of certain material uncertainties which may cause doubt on the charity's ability to continue as a going concern. It is reliant on unsecured, interest free long term loan funding and has been assured that no repayment will be sought until funds permit.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Board of Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

BUILDING HEROES EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Expenditure is recognised when a present legal or constructive obligation exists at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be estimated reliably.

Expenditure on generating funds comprises the direct costs incurred by the charity in generating funds.

Expenditure on charitable activities comprises the direct costs incurred by the charity in delivering its charitable objectives.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	33% pa
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

BUILDING HEROES EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the Charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

BUILDING HEROES EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Board of Trustees is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

BUILDING HEROES EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2021 £	2021 £	2021 £	2020 £
Donations and gifts	264	-	264	24,062
Support grants	112,118	151,187	263,305	180,217
	<u>112,382</u>	<u>151,187</u>	<u>263,569</u>	<u>204,279</u>
For the year ended 31 July 2020	<u>112,279</u>	<u>92,000</u>		<u>204,279</u>

4 Charitable activities

	2021 £	2020 £
Services provided under contract	160,379	265,759
	<u>160,379</u>	<u>265,759</u>

5 Other trading activities

	Unrestricted funds	Total
	2021 £	2020 £
Fundraising events	-	20,220
	<u>-</u>	<u>20,220</u>

BUILDING HEROES EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

6 Raising funds

	Unrestricted funds	Total
	2021	2020
	£	£
Fundraising and publicity		
Staging fundraising events	-	5,337
	<u> </u>	<u> </u>
	-	5,337
	<u> </u>	<u> </u>

BUILDING HEROES EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

7 Charitable activities

	2021	2020
	£	£
Staff costs	303,271	146,523
Depreciation and impairment	4,238	1,458
Training projects	58,871	42,360
Advertising	3,264	2,581
Rent	10,439	6,240
Travel and subsistence	6,341	8,887
Telephone and internet	5,455	4,432
Computer costs	13,575	8,022
Insurance	1,147	524
Bank charges	214	412
Consultancy and professional costs	26,553	6,463
Other staff costs	4,409	19
Other office expenses	1,210	549
Miscellaneous costs	380	5,368
Other charitable expenditure	8,029	-
	447,396	233,838
Share of support costs (see note 8)	8,886	-
Share of governance costs (see note 8)	4,000	3,600
	460,282	237,438
Analysis by fund		
Unrestricted funds	269,239	209,151
Restricted funds	191,043	28,287
	460,282	237,438

BUILDING HEROES EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

8 Support costs

	Support costs	Governance costs	2021	2020
	£	£	£	£
Operating lease charges	8,886	-	8,886	-
Legal and professional	-	4,000	4,000	3,600
	<u>8,886</u>	<u>4,000</u>	<u>12,886</u>	<u>3,600</u>
Analysed between Charitable activities	<u>8,886</u>	<u>4,000</u>	<u>12,886</u>	<u>3,600</u>

9 Board Of Trustees

None of the Board of Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	14	7
	<u>14</u>	<u>7</u>
Employment costs	2021	2020
	£	£
Wages and salaries	281,660	137,741
Social security costs	17,767	6,214
Other pension costs	3,844	2,568
	<u>303,271</u>	<u>146,523</u>

There were no employees whose annual remuneration was more than £60,000.

BUILDING HEROES EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

11 Tangible fixed assets

	Computers £
Cost	
At 1 August 2020	7,732
Additions	7,609
Disposals	(1,061)
	14,280
Depreciation and impairment	
At 1 August 2020	2,140
Depreciation charged in the year	4,124
Eliminated in respect of disposals	(947)
	5,317
Carrying amount	
At 31 July 2021	8,963
At 31 July 2020	5,592

12 Fixed asset investments

	Other investments
Cost or valuation	
At 1 August 2020	-
Additions	100
	100
At 31 July 2021	100
Carrying amount	
At 31 July 2021	100
At 31 July 2020	-

	Notes	2021	2020
		£	£
Other investments comprise:			

BUILDING HEROES EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

12 Fixed asset investments

Investments in subsidiaries	21	100	-
		<u> </u>	<u> </u>

13 Debtors

		2021	2020
Amounts falling due within one year:		£	£
Trade debtors		54,680	23,995
Prepayments and accrued income		3,164	-
		<u> </u>	<u> </u>
		57,844	23,995
		<u> </u>	<u> </u>

14 Loans and overdrafts

		2021	2020
		£	£
Bank overdrafts		300	-
Bank loans		50,000	-
Other loans		163,608	233,608
		<u> </u>	<u> </u>
		213,908	233,608
		<u> </u>	<u> </u>
Payable within one year		63,443	60,000
Payable after one year		150,465	173,608
		<u> </u>	<u> </u>

The long term bank loan is unsecured, bears interest at 2.5% per and is repayable by equal monthly instalments.

The other long term loans are unsecured, interest free and only repayable when funds permit.

BUILDING HEROES EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

15 Other creditors falling due within one year		2021	2020
		£	£
Trade creditors		13,502	2,846
Amounts owed to group undertakings		693	-
Accruals and deferred income		26,274	49,269
		<u>40,469</u>	<u>52,115</u>
16 Creditors: amounts falling due after more than one year		2021	2020
	Notes	£	£
Bank loans	14	46,857	-
Other borrowings		103,608	173,608
		<u>150,465</u>	<u>173,608</u>

BUILDING HEROES EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			
	Balance at 1 August	Incoming resources	Resources expended	Balance at 31 July 2021
	£	£	£	£
David Wilson Foundation - East Midlands training	59,000	67,000	(96,000)	30,000
Veterans Foundation - staff for geographical expansion	25,000	-	(25,000)	-
BFBS Big Salute - Workwear	8,848	-	(8,848)	-
Armed Forces Covenant Trust - Positive Pathways	-	33,250	(33,250)	-
Lloyd's Patriotic Fund - New Training Centre in Wales	-	19,000	(2,933)	16,067
National Lottery - Remote learning and retraining	-	19,616	(19,616)	-
Groundwork London -new pathway for Veterans into Construction	-	5,642	(3,526)	2,116
London Borough of Wandsworth - new opportunities for Wandsworth residents	-	4,809	-	4,809
Other grants	-	1,870	(1,870)	-
	<u>92,848</u>	<u>151,187</u>	<u>(191,043)</u>	<u>52,992</u>

BUILDING HEROES EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

18 Analysis of net assets between funds

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
Fund balances at 31 July 2021 are represented by:						
Tangible assets	8,963	-	8,963	5,592	-	5,592
Investments	100	-	100	-	-	-
Current assets/(liabilities)	25,319	52,992	78,311	48,411	92,848	141,259
Long term liabilities	(150,465)	-	(150,465)	(173,608)	-	(173,608)
	<u>(116,083)</u>	<u>52,992</u>	<u>(63,091)</u>	<u>(119,605)</u>	<u>92,848</u>	<u>(26,757)</u>

19 Operating lease commitments

Lessee

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	37,000	-
Between two and five years	83,000	-
	<u>120,000</u>	<u>-</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

BUILDING HEROES EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

21 Subsidiaries

Details of the Charity's subsidiaries at 31 July 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Building Heroes Property Services Ltd		Provision of property maintenance services	Ordinary shares	100.00	

The investments in subsidiaries are stated at cost

BUILDING HEROES EDUCATION FOUNDATION

England & Wales - Charity number 1158886

Accounts

Charity Registration No. 1158886

BUILDING HEROES EDUCATION FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

BUILDING HEROES EDUCATION FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Board Of Trustees	P J J Bradbury	
	D L Porter	
	D Barling	
	A Foster	
	M J Betteridge	(Appointed 15 February 2020)
	R Tucker MBE	(Appointed 27 March 2020)
	Lt Cdr N Atkins	(Appointed 17 January 2020)
	P Findlay	(Appointed 15 May 2020)

Charity number 1158886

Independent examiner William Daniels FCA, CTA
Suite 11
33-34 Gleaming Wood Drive
Chatham
Kent
ME5 8RZ

BUILDING HEROES EDUCATION FOUNDATION

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BUILDING HEROES EDUCATION FOUNDATION

BOARD'S REPORT

FOR THE YEAR ENDED 31 JULY 2020

The Board of Trustees present their report and financial statements for the year ended 31 July 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's constitution, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charity's objects are:

1. For the public benefit to advance the education of (a) ex-armed forces personnel and members of their immediate families and (b) socially and/or economically disadvantaged persons aged 18 and over and (c) other persons who may wish to attend educational courses provided by the Charity for the persons set out in (a) and (b) above in Construction and Horticultural Skills in such ways as the charity trustees think fit, including by providing their education and preparing them for entry to any occupation, trade or profession.
2. To advance in life and help young people through providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.
3. To promote social inclusion for the public benefit amongst people aged 18 and over who are socially excluded and by preventing ex-armed forces personnel from becoming socially excluded and relieving the needs of those people who are socially excluded and assisting them to integrate into society.

The Board of Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

BUILDING HEROES EDUCATION FOUNDATION

BOARD'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

We came into the year operating at five centres and leave with ten centres operational and more planned to be added early in the next year. Wiltshire College, Salisbury was added in November 2019 with 55 learners graduating in the academic year. Learning Curve Group, Middlesbrough was added in January 2020 with 18 learners graduating. South Thames College, Wandsworth was added in March 2020 with 12 graduating. A single cohort was taught at Sherford Training Centre, near Plymouth and another at the Train4All centre in Somerton, Somerset. As well as these centres delivering our Foundation in Property Management programme, we extended our offer to include a basic Engineering programme in partnership with Colchester Institute on their Harwich campus, the learners studied the Introduction to Engineering Operations Level 2 Diploma course which includes welding and fabrication, all achieved their required pass percentage. We are hoping to offer this course again and to find other locations for similar delivery. These additions follow our strategy to locate training centres near the large volumes of serving personnel as well as large number of veterans. This has led to very healthy numbers attending from day one at each centre.

Unfortunately, due to COVID-19 there was no College based delivery during the Summer Term losing us over 250 places.

Overall training volumes numbered 28 cohorts containing 320 learners for the academic year 2019-20, a 13% increase in learners over the previous year. However, had we delivered all our potential courses we would have delivered 570 places an increase of over 100%. With the uncertainty surrounding College opening during the pandemic, it is difficult to predict numbers for the next academic year, if we are fully open we expect to be able to offer over 750 places.

Applications for all our courses is currently running in excess of 1,200 per year generating a significant waiting list but with expansion plans we hope we will be able to satisfy that level of demand within one to two years.

We continue to be able to draw upon the Adult Education Budgets of the partner colleges to fund training for the financial year 2020-21 thereby significantly reducing the financial burden on the charity. All residential costs were met by contributions from other charities including the Royal British Legion, SSAFA and many of the relevant Regimental Funds.

We have been able to qualify for ESF funding from Coast to Capital LEP, Middlesbrough Council, Wiltshire Council, Wandsworth Council and the Paddington Development Trust to cover certain of the costs of our programmes. We have also been able to draw sub-contracted funding from the Construction Skills Fund to cover other costs incurred in the delivery of our programme.

Our collaboration with FIS, the finishes and interiors sector body, continues to enable us to access additional funding to cover our costs. We are very thankful for this on-going relationship.

We have received support from a number of donors including, The David Wilson Foundation, The Veterans Foundation, The Royal British Legion, Tesco, Frimley Golf Club, as well as a number of smaller organisations and private individuals.

Particularly welcome this year was several COVID Support grants, we have been fortunate to be awarded funds by the Armed Forces Covenant Trust, The National Lottery Community Fund, The Veterans Foundation and Horsham District Council, without this support it would have been very difficult to continue operations.

BUILDING HEROES EDUCATION FOUNDATION

BOARD'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

Achievements and performance

We continue to examine expansion into further programmes including Groundworks and Civils and An Introduction to the Built Environment. We have been fortunate to find an employer to work with us on the Groundworks & Civils programme and will be working with Ringway/Eurovia in the next academic year to commence delivery. Interest has also been shown by Costain in this programme and discussions are underway.

Future plans are very exciting. Further expansion is planned with delivery on active Construction Sites. Dubbed Building Heroes 2.0 this concept has been well received by developers and contractors seeking solutions to the skills shortage in their supply chains. Initial discussions are underway with six sites and COVID permitting we would like to see this initiative open for business during the next academic year. Davidsons Group from Leicestershire are looking the most likely candidate as the first implementation.

Having now graduated over 900 learners in our history we are now examining the possibility of creating a trading organisation, staffed by our graduates and other Veterans, offering direct to the consumer and business to business property maintenance services. This business idea will be pursued in the next business year. Successfully launched it is believed that this business operation could provide all the funding necessary to run the charity going forward.

We end 2019-20 in a much healthier position than we came in with volumes increasing and new sources of funds available to us, planned volume for 2020-21 is 750 learners across our ten partner colleges. New delivery centres using the FE College model are planned in the East and West Midlands as well as South Wales and maybe Scotland. Some of these may be BH2.0 sites depending on the demand from contractor/developers.

The Trustees have strengthened with now eight appointed covering a wider geographical spread which will enable stronger regional links. The Trustees have now also formally appointed a Vice Chairman. We believe each of these actions will improve our overall Governance.

From humble beginnings Building Heroes has grown to be the largest Military to Construction Charity in the UK whether measured by beneficiaries or turnover, by adopting a collaborative approach we are heavily embedded in the body of Military Charities supporting our beneficiaries, as a member of COBSEO we are involved in creating a healthier and happier future for all Military Veterans, the future looks very positive.

Financial review

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Board of Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Charity has a very substantial deficiency of funds, but has secured unsecured, interest free and long term finance which it considers will be sufficient to enable it to continue its operations.

BUILDING HEROES EDUCATION FOUNDATION

BOARD'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

The Board of Trustees has assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The Charity is a charitable incorporated organisation established under its constitution dated 1 October 2014 and registered with the Charity Commission on 16 October 2014.

The Board of Trustees who served during the year and up to the date of signature of the financial statements were:

P J J Bradbury

D L Porter

Air Marshal S K Reynolds CBE DFC RAF (Resigned 11 September 2019)

D Barling

A Foster

Lt Col C More (Resigned 11 September 2019)

M J Betteridge (Appointed 15 February 2020)

R Tucker MBE (Appointed 27 March 2020)

Lt Cdr N Atkins (Appointed 17 January 2020)

P Findlay (Appointed 15 May 2020)

Every trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the charity trustees in accordance with its constitution. In selecting individuals for appointment as charity trustees, the charity trustees have regard to the skills, knowledge and experience needed for its effective administration.

None of the Board of Trustees has any beneficial interest in the Charity. All of the Board of Trustees are members of the Charity. They have no liability in the event of a winding up.

The Board's report was approved by the Board Of Trustees.

P J J Bradbury

Trustee

Dated: 25 March 2021

BUILDING HEROES EDUCATION FOUNDATION

STATEMENT OF BOARD'S RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2020

The Board of Trustees are responsible for preparing the Board's 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 Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

In preparing these financial statements, the Board of 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 charity will continue in operation.

The Board of Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BUILDING HEROES EDUCATION FOUNDATION

INDEPENDENT EXAMINER'S REPORT

TO THE BOARD OF TRUSTEES OF BUILDING HEROES EDUCATION FOUNDATION

I report to the Board of Trustees on my examination of the financial statements of Building Heroes Education Foundation (the Charity) for the year ended 31 July 2020.

Responsibilities and basis of report

As the Board of Trustees of the Charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the Charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

- 1 accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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

William Daniels FCA, CTA

BUILDING HEROES EDUCATION FOUNDATION

INDEPENDENT EXAMINER'S REPORT (CONTINUED)

TO THE BOARD OF TRUSTEES OF BUILDING HEROES EDUCATION FOUNDATION

Suite 11
33-34 Gleaming Wood Drive
Chatham
Kent
ME5 8RZ

Dated: 25 March 2021

BUILDING HEROES EDUCATION FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2020

		Unrestricte d funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Note s						
<u>Income from:</u>							
Donations and legacies	3	112,279	92,000	204,279	45,553	96,370	141,923
Charitable activities	4	265,759	-	265,759	137,535	-	137,535
Other trading activities	5	20,220	-	20,220	310	-	310
Total income		<u>398,258</u>	<u>92,000</u>	<u>490,258</u>	<u>183,398</u>	<u>96,370</u>	<u>279,768</u>
<u>Expenditure on:</u>							
Raising funds	6	5,337	-	5,337	732	-	732
Charitable activities	7	209,151	28,287	237,438	126,640	108,829	235,469
Total resources expended		<u>214,488</u>	<u>28,287</u>	<u>242,775</u>	<u>127,372</u>	<u>108,829</u>	<u>236,201</u>
Net income for the year/ Net movement in funds		183,770	63,713	247,483	56,026	(12,459)	43,567
Fund balances at 1 August 2019		(303,375)	29,135	(274,240)	(359,401)	41,594	(317,807)
Fund balances at 31 July 2020		<u>(119,605)</u>	<u>92,848</u>	<u>(26,757)</u>	<u>(303,375)</u>	<u>29,135</u>	<u>(274,240)</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

BUILDING HEROES EDUCATION FOUNDATION

BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11		5,592		146
Current assets					
Debtors	12	23,995		30,375	
Cash at bank and in hand		232,473		39,766	
		<u>256,468</u>		<u>70,141</u>	
Creditors: amounts falling due within one year					
Loans and overdrafts	13	60,000		-	
Taxation and social security		3,094		1,777	
Other creditors	14	52,115		39,142	
		<u>115,209</u>		<u>40,919</u>	
Net current assets			141,259		29,222
Total assets less current liabilities			146,851		29,368
Creditors: amounts falling due after more than one year	15		(173,608)		(303,608)
Net liabilities			<u>(26,757)</u>		<u>(274,240)</u>
Income funds					
Restricted funds	16		92,848		29,135
Unrestricted funds			(119,605)		(303,375)
			<u>(26,757)</u>		<u>(274,240)</u>

The financial statements were approved by the Board Of Trustees on 25 March 2021

P J J Bradbury
Trustee

BUILDING HEROES EDUCATION FOUNDATION

BALANCE SHEET (CONTINUED)

AS AT 31 JULY 2020

BUILDING HEROES EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Charity information

Building Heroes Education Foundation is a charitable incorporated organisation established under its constitution dated 1 October 2014 and registered with the Charity Commission on 16 October 2014.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's constitution, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements are prepared on the going concern basis. The Board of Trustees have a reasonable expectation that the Charity will continue in operational existence for the foreseeable future, however, the Board of Trustees are aware of certain material uncertainties which may cause doubt on the charity's ability to continue as a going concern. It is reliant on unsecured, interest free long term loan funding and has been assured that no repayment will be sought until funds permit.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Board of Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

BUILDING HEROES EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Expenditure is recognised when a present legal or constructive obligation exists at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be estimated reliably.

Expenditure on generating funds comprises the direct costs incurred by the charity in generating funds.

Expenditure on charitable activities comprises the direct costs incurred by the charity in delivering its charitable objectives.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	33% pa
-----------	--------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

BUILDING HEROES EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies (Continued)

1.7 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

BUILDING HEROES EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Board of Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

BUILDING HEROES EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2020	2020	2020	2019
	£	£	£	£
Donations and gifts	24,062	-	24,062	45,553
Support grants	88,217	92,000	180,217	96,370
	<u>112,279</u>	<u>92,000</u>	<u>204,279</u>	<u>141,923</u>
For the year ended 31 July 2019	<u>45,553</u>	<u>96,370</u>		<u>141,923</u>

4 Charitable activities

	2020	2019
	£	£
Services provided under contract	<u>265,759</u>	<u>137,535</u>

5 Other trading activities

	Unrestricted funds	Total
	2020	2019
	£	£
Fundraising events	<u>20,220</u>	<u>310</u>

BUILDING HEROES EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

6 Raising funds

	Unrestricted funds	Total
	2020 £	2019 £
Fundraising and publicity		
Staging fundraising events	5,337	732
	<u>5,337</u>	<u>732</u>

BUILDING HEROES EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

7 Charitable activities

	2020	2019
	£	£
Staff costs	146,523	128,589
Depreciation and impairment	1,458	276
Training projects	42,360	72,577
Advertising	2,581	1,596
Rent	6,240	6,240
Travel and subsistence	8,887	10,359
Telephone and internet	4,432	3,790
Computer costs	8,022	2,901
Insurance	524	444
Bank charges	412	237
Provision for bad and doubtful debts	-	500
Consultancy and professional costs	6,463	1,141
Other staff costs	19	-
Other office expenses	549	524
Miscellaneous costs	5,368	3,655
	<u>233,838</u>	<u>232,829</u>
Share of governance costs (see note 8)	3,600	2,640
	<u>237,438</u>	<u>235,469</u>
Analysis by fund		
Unrestricted funds	209,151	126,640
Restricted funds	28,287	108,829
	<u>237,438</u>	<u>235,469</u>

BUILDING HEROES EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

8 Support costs

	Support costs	Governance costs	2020	2019
	£	£	£	£
Legal and professional	-	3,600	3,600	2,640
	<u>-</u>	<u>3,600</u>	<u>3,600</u>	<u>2,640</u>
	<u>-</u>	<u>3,600</u>	<u>3,600</u>	<u>2,640</u>
Analysed between Charitable activities	-	3,600	3,600	2,640
	<u>-</u>	<u>3,600</u>	<u>3,600</u>	<u>2,640</u>

9 Board Of Trustees

None of the Board of Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

10 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	7	7
	<u>7</u>	<u>7</u>
Employment costs	2020	2019
	£	£
Wages and salaries	137,741	120,298
Social security costs	6,214	5,624
Other pension costs	2,568	2,667
	<u>146,523</u>	<u>128,589</u>

BUILDING HEROES EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

11 Tangible fixed assets

	Computers £
Cost	
At 1 August 2019	828
Additions	6,904
	<hr/>
At 31 July 2020	7,732
	<hr/>
Depreciation and impairment	
At 1 August 2019	682
Depreciation charged in the year	1,458
	<hr/>
At 31 July 2020	2,140
	<hr/>
Carrying amount	
At 31 July 2020	5,592
	<hr/> <hr/>
At 31 July 2019	146
	<hr/> <hr/>

12 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	23,995	30,375
	<hr/> <hr/>	<hr/> <hr/>

13 Loans and overdrafts

	2020 £	2019 £
Other loans	233,608	303,608
	<hr/> <hr/>	<hr/> <hr/>
Payable within one year	60,000	-
Payable after one year	173,608	303,608
	<hr/> <hr/>	<hr/> <hr/>

The long term loans are unsecured, interest free and only repayable when funds permit.

BUILDING HEROES EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

14 Other creditors falling due within one year

	2020	2019
	£	£
Trade creditors	2,846	26,178
Accruals and deferred income	49,269	12,964
	<u>52,115</u>	<u>39,142</u>

15 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Borrowings	<u>173,608</u>	<u>303,608</u>

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 August 2019	Movement in funds Incoming resources £	Resources expended £	Balance at 31 July 2020 £
David Wilson Foundation - East Midlands training	-	67,000	(8,000)	59,000
Veterans Foundation - staff for geographical expansion	-	25,000	-	25,000
BFBS Big Salute - Workwear	22,917	-	(14,069)	8,848
Armed Forces Covenant - Employment engagement	4,718	-	(4,718)	-
Robert Clutterbuck Charitable Trust - Workwear	1,500	-	(1,500)	-
	<u>29,135</u>	<u>92,000</u>	<u>(28,287)</u>	<u>92,848</u>

BUILDING HEROES EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

17 Analysis of net assets between funds

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £
Fund balances at 31 July 2020 are represented by:						
Tangible assets	5,592	-	5,592	146	-	146
Current assets/ (liabilities)	48,411	92,848	141,259	87	29,135	29,222
Long term liabilities	(173,608)	-	(173,608)	(303,608)	-	(303,608)
	<u>(119,605)</u>	<u>92,848</u>	<u>(26,757)</u>	<u>(303,375)</u>	<u>29,135</u>	<u>(274,240)</u>

18 Contingent liabilities

The Charity has entered into a collaborative partnership with one of its major providers of tuition services, Chichester College Group. The College claims that the Charity owes £107,000 in respect of past services provided. The Charity disputes the claim which it considers is excessive. Under the agreement the Charity will source and coordinate qualifying learners in exchange for which the College will, subject to agreed targets being met, waive its disputed claim.

19 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).