

BFBS

England & Wales · Charity number 233480

Details

Other names	THE SERVICES KINEMA CORPORATION, THE SERVICES SOUND AND VISION CORPORATION, BFBS
Status	Registered
Legal form	Charitable company
Company number	00407270
Registered	1964-05-11
Register	View on the Charity Commission register

Contact

Address	Bfbs Chalfont Grove Narcot Lane Chalfont St. Peter Gerrards Cross SL9 8TN
Phone	02037504550
Email	info@bfbs.com
Website	bfbs.com

Activities

Objects: THE OBJECTS FOR WHICH THE CORPORATION IS ESTABLISHED ARE TO PROMOTE THE EFFICIENCY OF MEMBERS OF HER MAJESTY'S ARMED FORCES (WHICH EXPRESSION SHALL, FOR THE PURPOSES OF THIS MEMORANDUM BE DEEMED TO INCLUDE MEMBERS OF ANY NURSING OR OTHER AUXILIARY SERVICE OF HER MAJESTY'S SAID FORCES AND MEMBERS OF ANY CADET FORCE, TRAINING CORPS OR OTHER BODY HAVING AS AN OBJECT THEREOF THE TRAINING OF PERSONS FOR MEMBERSHIP OF HER MAJESTY'S SAID FORCES OR ANY NURSING OR AUXILIARY SERVICE THEREOF) THROUGH THE PROVISION OF FACILITIES FOR EDUCATION, WELFARE, TRAINING AND ENTERTAINMENT.

Activities: We promote the efficiency of HM Armed Forces through the provision of services related to entertainment, information, education, welfare and training whilst stationed or deployed abroad and local radio channels in military bases in the UK

Classification

- **How:** Makes Grants To Organisations, Provides Services
- **What:** Education/training, Armed Forces/emergency Service Efficiency, Recreation, Other Charitable Purposes
- **Who:** Other Defined Groups

Geography

- Buckinghamshire
- Kent

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£32,261,000	£33,445,000	£34,992,000	291
2024-03-31	£31,985,000	£32,239,000	£35,645,000	264
2023-03-31	£29,315,000	£30,995,000	£34,651,000	257
2022-03-31	£28,774,000	£29,956,000	£37,557,000	255
2021-03-31	£27,563,000	£28,083,000	£36,174,000	246

Trustees

Name	Role	Appointed
ANTHONY JOHN RIX		2016-02-11
Darren Raymond Long		2019-10-03
David Charles Moody		2019-10-03
HOWARD STEPHEN PERLIN		
Helen Louise Depree		2018-09-04
Julie Anne Wheals		2025-06-10
MAJOR GENERAL CHRISTOPHER COLIN WILSON		
MR TONY HALES		
Niall MacGinnis		2022-12-07
Richard Fogden		2024-03-18
Vanella Jane Jackson		2019-10-03

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England & Wales - Charity number 233480

Accounts

Registered number: 00407270
Charity number: 233480

BFBS
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

BFBS

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BFBS

PATRON, TRUSTEES AND EXECUTIVE MANAGEMENT

PATRON, TRUSTEES AND EXECUTIVE MANAGEMENT

PATRON

Her Majesty The Queen

BOARD OF TRUSTEES

CHAIRMAN

Major General Chris Wilson CB CBE

VICE CHAIRMAN

Howard Perlin MBE FCA

TRUSTEES

Tony Hales CBE

Julie Wheals

Rear Admiral Anthony Rix RN CB

Helen Depree

Darren Long

Vanella Jackson

David Moody

Niall MacGinnis

Air Commodore Richard Fogden

SECRETARY

Pamela Anne McMenamin CA

LIFE VICE-PRESIDENTS

Lieutenant General Sir Roderick Cordy-Simpson KBE CB

Michael Andrae Hon. FCIM

Air Vice Marshal Andrew Vallance CB OBE

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PATRON, TRUSTEES AND EXECUTIVE MANAGEMENT (CONTINUED)

EXECUTIVE TEAM

CHIEF EXECUTIVE
Ben Chapman

DIRECTOR OF FINANCE
Pamela Anne McMenamin CA

DIRECTOR OF FORCES BROADCASTING & ENTERTAINMENT
Nicky Ness

DIRECTOR OF DIGITAL CONTENT & TRAINING
Adam Waters

DIRECTOR OF EDITORIAL CONTENT
Lisa Mitchell

DIRECTOR OF TECHNOLOGY
Ryan Lambert

DIRECTOR OF DEVELOPMENT & STRATEGY
Nick Beer

DIRECTOR OF HUMAN RESOURCES
Laura Smith

Registered office: Chalfont Grove, Narcot Lane, Chalfont St Peter, Gerrards Cross, Bucks, SL9 8TN

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ADMINISTRATIVE DETAILS OF THE CHARITY AND ITS ADVISERS

Company registered number	00407270
Charity registered number	233480
Registered office	Chalfont Grove Narcot Lane Gerrards Cross Buckinghamshire SL9 8TN
Websites	www.bfbs.com www.forcesnews.com
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants 16 Great Queen Street Covent Garden London WC2B 5AH
Bankers	HSBC Bank plc 65 Packhorse Road Gerrard Cross Bucks SL9 8PH

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ADMINISTRATIVE DETAILS OF THE CHARITY AND ITS ADVISERS (CONTINUED)

Solicitors	Bates Wells 10 Queens Street Place London EC4R 1BE KLC Employment Law Consultants LLP Mill Pool House Mill Lane Godalming Surrey GU7 1EY
Investment managers	M & G Investments 10 Fenchurch Avenue London EC3M 5AG Rathbones 30 Gresham Street London EC2V 7QN CCLA Investment Management 1 Angel Lane London EC4R 3AB Waverton Investment Management 16 Babmaes Street London SW1Y 6AH

BFBS

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

The Board of Trustees of BFBS has pleasure in presenting its report, which incorporates the Strategic Report, on the activities and results for the year ended 31 March 2025.

Our aims and how our activities deliver public benefit

Our Charity's aims are to promote the efficiency of HM Armed Forces ('the Forces') through the provision of services related to entertainment, information, education, welfare and training.

Our activities deliver benefit through:

- Providing dedicated radio and TV channels for Forces personnel and their families, whilst stationed or deployed abroad;
- Providing local radio channels in military bases in the UK together with a national BFBS service on DAB+, online, via mobile apps and through Sky and Freesat;
- Creating Forces related video and social media content for distribution across a wide range of digital platforms;
- Showing films in military bases throughout the UK and overseas;
- Staging entertainment shows;
- Establishing and running a welfare-focussed esports league for the entire military community;
- Running training courses for serving personnel, veterans, military spouses and military charities; and
- Providing creative and strategic communications services to the MoD, Forces, and military charities.

Taken together the cumulative impact of all our activities is to provide a critical component in the maintenance of the morale and wellbeing of the Forces and their families.

Achievements and performance

The year to 31 March 2025 saw the continuation of our programme to invest in technology to ensure that the services provided to the Forces are as robust and as comprehensive as possible, wherever they are based in the world. BFBS has a 5-year strategic plan based upon the vision "BFBS: uniting the Forces and their families worldwide through trusted, creative media experiences". BFBS is undergoing a programme of modernisation to meet the threats and opportunities of a disrupted media landscape. This includes a renewed perspective on security and developing a trusted relationship with the women and men serving in the Forces through original content. This has seen BFBS begin a new dialogue with the media technology industry, to enable BFBS to become a 'super aggregator' of media experiences anywhere around the globe. BFBS began this industry consultation in January with the release of an 'Expression of Interest' application to manage our digital distribution. This saw a significant response from some of the biggest players in the industry. Value for money and BFBS's future ability to serve those who serve is at the heart of this strategic technological change.

The use of data to assess the effectiveness of the services we provide and to support decision making has become firmly embedded within BFBS. Surveys by independent market research organisations have found that over 80% of the overseas based Forces community are listeners and viewers of BFBS Radio & TV. Furthermore, of that audience, over 95% are satisfied or very satisfied with the services provided. These findings are reinforced by surveys carried out by the military themselves, including that conducted by the Royal Navy of those serving as part of the Carrier Strike Group. This showed that 85% of personnel accessed BFBS services.

The composition of our own workforce also has an important role to play and internal data shows that, as at 31 March 2025, 20% of BFBS staff were either veterans, reservists or military spouses (2024: 22%). When staff who have a parent who served are included too, the proportion pushes up to 29% (2024: 35%). These metrics highlight the direct benefit we provide to the Forces and their families through employment and evidence the strong understanding we have of the community we serve - many of our staff either currently are or have been part of BFBS' audiences.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Broadcasting

BFBS Radio teams, both across the UK and internationally, remain focussed on their commitment to delivering high-quality entertainment, music, and a comprehensive array of news, sport, and information — consistently placing the Forces community at the forefront of their mission. Where staff are present on the ground in military communities, their value goes far beyond the work they do on air, finding reasons to bring their audiences together for shared experiences and morale and welfare initiatives.

As part of our focus on welfare through entertainment, we've broadcast music specials with artists including Frank Turner, Betty Boo, Chesney Hawkes, Hard-Fi, Janet Devlin, Pixie Lott, Franz Ferdinand, Blossoms and Sigma. We've covered major entertainment events such as the 2025 BRIT Awards, and the Army v Navy Rugby from Twickenham, provided extensive coverage of the 2025 Invictus Games in Canada, and added a Forces' perspective to international sporting events such as the 2024 Olympics/Paralympics, and Euro 2024.

2024 saw special programming to mark the 80th Anniversary of D-Day, particularly regarding the build-up to the day. Our staff were in Normandy for three days and ensured live broadcast of the ceremony at the British Memorial in Ver-sur-Mer. We marked the 75th Anniversary of NATO in various ways, but notably through a 30-minute audio documentary, *An Alliance Rescue*, about bravery during the fall of Kabul. The programme went on to be nominated for an industry ARIA award. We also marked the 10th anniversary of the end of Operation HERRICK, by collating our team's memories of broadcasting alongside troops in Afghanistan.

In November 2024, as part of our on-going support for soldiers on Operation CABRIT, we delivered a first-ever live radio show from Estonia. The programme connected those in Camp Tapa with listeners around the Forces world, including family at home in the UK. We held a unified fundraising day for the BFBS Big Salute (see below) networking all our radio stations around the world and holding the 'BFBS Mileathon' initiative to raise awareness and funds, smashing all the targets we set for ourselves and our listeners.

BFBS Radio in the UK reaches a wide audience of listeners, of whom 70% are from the Forces community (serving, spouses/partners, veterans, reservists, families and cadets). The other 30% are members of the public who like hearing about Britain's military, love our music playlists and embrace the fact we have no commercials. Regular listening to BFBS in the UK increased this year by approximately 10% (from 1.0m to 1.1m monthly listeners). Although the station primarily exists to entertain, connect and inform the Forces community, its role in championing the work they do to the wider public is also an important one.

"Hi, I am not in the forces, however, since discovering BFBS Radio I have become a huge fan. I love the range of music and the presenters are so good. I get to know more about what is going on around the world in a real and honest way, especially when I listen to the interviews with Forces staff. It has really opened my eyes to how much our Forces do throughout the world, and it is heartening to hear so much of the activities that are taking place with and for the family members". Listener feedback from Ronnie, Northern Ireland via e-mail.

Our services to the Brigade of Gurkhas in the UK and overseas remain an essential part of our delivery, with BFBS Gurkha Radio reaching 84% of serving personnel and their families. The service mixes music, news and information from Nepal with full coverage of military events and activities from serving Gurkhas and the veteran community, all in the Nepali language. We continue to broadcast on Analogue and Digital Radio in key Gurkha locations in the UK, and in this year launched a new Gurkha transmitter on 104.4 FM in Holywood, Northern Ireland. In addition, online listening to the Gurkha Service increased by 8% in this year (from an average 640k streams per month to 688k).

BFBS TV audiences enjoyed the same summer 2024 of sport as audiences at home with BBC, ITV and Channel 4 coverage of EURO 2024, Wimbledon and The Olympic and Paralympic games – with Forces access negotiated directly between BFBS and the International Olympic Committee. With our military communities ever cyber-aware and with limited access to UK content overseas, the trust in BFBS (spanning audiences and media partnerships) to enable this was at a high: data from the internet-connected BFBS TV Player returned activity for daily coverage from Paris 2024 and key moments in EURO 2024 comparable to our exclusive weekend fixtures

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

of Premier League football, which are ordinarily our most popular week on week events during the regular season.

More matches from the EFL followed later in the year with Sky offering BFBS TV users more choice from their new Sky Sports+ platform alongside an unmissable run of premium boxing events courtesy of DAZN and WBD Sports/TNT Sports Box Office, all brokered by BFBS for free access to our military viewers based overseas.

"To whom it concerns, First of all a massive thank you for the incredible service you provide us while deployed. BFBS TV truly is the corner stone of maintenance of morale while the Army is deployed. I am currently commanding a team of about 50 deployed in Kosovo and have been asked to clarify which games from the last day of the premier league season will be aired. ...Once again thank you for the service you provide". UK British Task Unit Kosovo via email.

Throughout the past twelve months, relationships between BFBS TV, Sky and the major international studios (Amazon MGM, Paramount, Sony, Universal, WBD) have continued to prosper with overseas audiences treated to home entertainment premieres of blockbuster movies alongside new seasons of box set series. Over 70% of our non-sports offer are titles from streamers and pay TV, complementing our relay of all UK public service broadcasting and Nepali language live channels and on demand content for Gurkha communities.

BFBS TV also worked closely with the Invictus Games Foundation and Icarus Sports to deliver our largest TV coverage of the event to date. Action from Vancouver Whistler 2025 was captured via multiple live streams across all BFBS TV platforms, plus daily highlights and the opening and celebration ceremonies, considerably more than was on offer to civilian viewers in the UK. Companion programming included a moving documentary produced by the RAF in which members of Team UK champion the power of sport in recovery.

The audiences for our original BFBS Forces News content increased further over the year, with a total of 1.7 million subscribers/followers across social media platforms and YouTube, up 13%.

Throughout the year, the war in Ukraine was a predominant story and, in a new initiative, our creation of content specifically for YouTube Shorts allowed us to successfully target a younger audience. For example, an interview with Vitali Klitschko by our reporter in Kyiv got 2.7million views. Elsewhere, our content on Exercise Steadfast Defender, the largest NATO exercise since the Cold War attracted large audiences in the UK, US, Canada and Germany, with some videos reaching over 7 million views.

General Sir Patrick Sanders, Chief of the General Staff, sat down for an exclusive interview which covered his views on Future Soldier, his career and his own mental health. Total views were over one million.

Our radio programme and podcast, Sitrep, focusses on intelligent and informed discussion on complex defence matters and has hosted an exceptionally wide range of high profile serving and former senior officers over the last year. These have included Gen Sir Jim Hockenhull, Lt Gen Tom Copinger-Symes, Gen David Petraeus, Lt Gen Andrew Harrison, Lt Gen James Swift, Lt Gen Sir Nick Pope, Col Al Carns, MP, James Heappey, Armed Forces Minister and Air Commodore Martin Lowe. We were delighted to see the work of our Sitrep team recognised by the wider broadcasting industry with two nominations at the prestigious Radio Academy ARIAS and one as publisher of the year at the British Podcast Awards.

The appetite and audiences for live streamed military sport continues to grow and we have redistributed resources internally to support that, increasing our dedicated team from 5 to 7 people. Our coverage of the Army v Navy rugby at Twickenham was a highlight, with 149,000 views, up 49% on last year. Elsewhere, for our Gurkha audiences, we took the opportunity to cover a tour by the Nepal national football team to the UK. This included two matches from Aldershot – Nepal v British Army and Nepal v England C, for which we secured rights to broadcast from the Football Association. The matches, which were both accompanied by a Nepali commentary, attracted an audience of 730,000.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

BFBS Academy

Our latest cohort of students finished our third Production Managers course with, as always, a fascinating mix of subjects for their final projects. From TV addiction to wild swimming, or PTSD to silent comedy, the students reflected the variety of styles and interests we've come to expect.

We relaunched our digital skills programme widening access to a broader audience. Previously we just offered it up to the partners of serving military personnel. Now, the programme is open to veterans, their partners, and bereaved forces families. We are currently coaching an average of six beneficiaries a month.

We continue to offer our Academy courses on a chargeable basis. A big win for us was getting on to the central government training frameworks. As a result, we have seen an increase in bookings for our courses across UK government departments. It also gives defence teams a relatively simple way to procure our courses.

BFBS Creative

We continue our creative services support for the Forces and MoD. Much like BFBS' core work this often takes place around the world. The UK's support to Ukraine continues to be an area where we help. We completed our tranche of documentaries for DDC including our popular series on military training, inviting three Ukrainian linguists to dinner, and profiling people doing different roles to mark 1000 days of war.

We visited Accra to work with the British High Commission to help the Ghanaian armed forces more effectively counter disinformation. We also completed a major tranche of work with JFC Naples designed to help support them be more effective in their communications.

Our work with the MoD Cyber Confident team continued. This is the ongoing campaign designed to build cyber security skills across MoD personnel. We proudly launched our first ever 'escape room' challenge that was then deployed across the country for personnel to try.

BFBS Cinemas

Our cinema network continues to bring the latest box office releases to military communities across Cyprus, the Falkland Islands and the UK. During the year we screened over 180 films, across almost 4000 screenings and welcomed just over 34,000 people through our doors. Family films dominated our top 10 with Moana 2, Despicable Me 2, Inside Out 2, Wicked and Mufasa: The Lion King filling the top 5 slots.

BFBS further supported with charitable funding for technical upgrades of projection equipment, with the Phoenix Cinema in the Falkland Islands installing a laser projector, new server and upgraded sound processor.

Community support remained at the heart of our work which included Children's Mental Health Week, offering free screenings of Inside Out 2. This included a special event at the Defence Medical Rehabilitation Centre, Stanford Hall. We also collaborated with Blandford Garrison for International Women's Day 2025, where we finished off a day of inspirational female speakers from across the Royal Corp of Signals with a free screening of Lee, thanks to our partnership with Studiocanal. We also marked May the 4th (officially Star Wars day) with a special free screening of Star Wars: Episode I – The Phantom Menace. BFBS Cinemas arranged special guest appearances from the local Rebel Legion Causeway Base & 501st Legion Causeway Garrison to attend the Wessex Cinema in Aldergrove, Northern Ireland. Storm troopers and other characters from the film welcomed our audience to their free screening with lots of fist bumps and high fives. A memorable screening event for our Aldergrove community.

Gurkha communities based in the Falkland Islands and Cyprus were given the opportunity to watch several Nepali and Hindi films including Mansarra, Ghar Jwai, Chakka Panja 5, Kanguva, Karsang, and Karma.

*"We, the Gurkha Community in Falkland Islands wanted to express our sincere thanks for the movie. Thank you for bringing Gurkha community together in Falklands".
Mrs Gita Ringali | Receptionist | Dental Centre MPC, BFSAL.*

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

The BFBS Cinelink service, an alternative to a fully-fledged cinema operation reached new audiences across the UK and internationally including Kendrew Bks in Rutland, RRC Crickhowell in Wales, Gibraltar, Sennelager in Germany, Operation CHESSMAN in Poland plus many more. We also saw the service shift in focus to offer a more bespoke film offering for each site with many moving across to our 'Select' service. This provides them with more control over which films are available to screen, supporting their need to increase community engagement and welfare support to a wider audience.

In the financial year the BFBS Trustees gave their approval to replace our 80-seater mobile cinema truck, the 'Movie Machine', as the original was about to reach the end of its serviceability after 20+ years. This was a significant commitment to our longer-term charitable welfare objectives and a major financial project for a single piece of kit. BFBS took delivery in September 2025 and it will be back out on the road delivering free screening to UK based military audiences. Total capital cost is approximately £1.3m.

BFBS Live Events

The BFBS Live Events team have been busy throughout the period with trips to Estonia, Cyprus, Bahrain, Qatar, UAE, Kuwait, Saudi, and Sardinia for HMS DIAMOND (delivery for this audience was prioritised following a challenging deployment). They also staged a groundbreaking and award-winning event in Poland for Operation. STEADFAST DEFENDER featuring headline act Sigma.

"It was exciting to see SIGMA headline the event. Many of the soldiers thought it was a gigantic wind-up and didn't believe it until they saw it... SIGMA were faultless, they energised the soldiers and gave them an evening off in a style that was modern and relatable for our soldiers. I was hugely impressed. In all, it was a great show, highly memorable, and weeks later all the soldiers who were there, rave about it. A superb way to thank them and I'm hugely grateful to BFBS for the effort it took to plan and deliver." Brigadier Henry Searby OBE.

The team also undertook their first event in Saudi featuring former soldier and winner of Britain's Got Talent, Richard Jones.

"The moral component of fighting power is something that every Chain of Command spends a lot of time and thought on trying to improve. It has been particularly relevant on this reactive deployment which, at times, has gone slowly. The show that Richard delivered enabled by you, was excellent." Major Stuart Bradley BC137 (The Jumbos).

Alongside the priority focus on raising the morale of personnel on operational deployments, the team also provided entertainment for UK based troops, families and veterans. This included supporting family days in Catterick, Tidworth, Chicksands, Leuchars and Portsmouth. They also returned to the Royal Hospital Chelsea to deliver a show for the Pensioners as well as their first small live event in the Royal Hospital Infirmary for patients who were too sick to come to the main show.

"Seeing so many smiles, tapping feet, clapping hands and general jolliness was magical. Events like that make such a lasting difference to the Pensioners in the Infirmary, for hours and even days afterwards. Lots of them have been talking about the concert all afternoon...Thank you all for being so patient and wonderful with the residents." Elly Bourdillon-Miller, Activities & Hobbies Manager, Royal Hospital Chelsea.

There were also several repeat engagements where the BFBS Live Events teams' expertise in delivering to this specialised community were sought out, including The Celebrating Forces Families Awards, the RLC Sports Awards, Army Sports Awards and RAF Odiham Families' Day.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

BFBS Esports

In the financial year we invested in the development of a major new charitable initiative for BFBS, Esports, culminating in a successful launch of our first esports league in May 2025. Esports simply means playing video games competitively. It is a sport that has rapidly grown in popularity and was recently recognised by the Olympics, the Invictus Games, and crucially the Forces themselves.

The conflict in Ukraine has also shown armed forces around the world how important the skills gained through competitive gameplay are in modern warfare. Gaming is also a vital part of life, and the welfare, of serving personnel and their families.

We developed an ambitious plan to fulfil three strategic priorities for BFBS – become relevant to the next generation of the Forces, find new ways to support the welfare of the Forces community, and long term secure new sources of income. Esports fulfils this brief exactly.

We planned a competitive tournament in one of the most popular games available – Rocket League. It's a game that is easily understood yet requires a lot of skill to excel at, is endorsed by the Forces as an approved game for competitive gameplay and is free to play. We hired a professional gamer to help build our new esports team and partnered with the official serving forces teams as well as UK Veterans Gaming. We initially set a target of 500 signups from serving personnel, veterans, reservists, cadets, the bereaved community, direct family members of military personnel, and civil servants. We have substantially exceeded this goal.

The BFBS Pro League culminated in an in-person finale event at the University of Staffordshire esports campus with a top cash prize available to the winning team. The launch to this league has already been popular amongst both our audience and our senior stakeholders.

BFBS esports has also taken the opportunity to sponsor welfare-focussed gaming events such as UK Veterans Gaming's own events or providing merchandise for the HMS Prince of Wales esports room. We hope to build on our initial success in years to come.

BFBS 'Big Salute' Campaign, the BFBS Welfare Fund the BFBS Ice Cream Van and newspapers/ magazines

Several further initiatives, directly supported by BFBS continue to add value to the military community BFBS serves. Our annual Big Salute Campaign raises funds for military charities through the combined efforts of BFBS staff and our audiences around the world, match funded by BFBS. From golf tournaments to marathons, quiz nights & street collections to direct donations, the scheme continually finds imaginative ways to raise funds, every penny of which is given back to initiatives supporting the extended military community.

This year the Big Salute distributed grants of £28,000 to a range of different projects including an initiative run by On Course for hiring mobility buggies at their Golf Skills and Employment Courses for veterans.

"A huge thank you to BFBS for their support at our residential courses in 2024. In our experience we know how effective this sport is on our beneficiaries recovery and transition to civilian life. Through no fault their own, they have sustained injuries which restrict their mobility and without the use of these buggies, many would be unable to play golf. Thank you for ensuring that they are able to continue to attend our confidence building activities." Will Barker, Head of Fundraising, On Course Foundation.

The Big Salute enabled Families Activity Breaks (FAB) to deliver camps for bereaved military families. Updates showed the camps were a great success with one family commenting.

"You guys hit this perfectly in my opinion. A great balance of sensitivity and encouragement to bond and share experiences and challenges together. We had a fantastic time."

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Another grant awarded to Vector24 (formerly Fares 4 Free) helped them fund fuel expenses for their volunteer drivers supporting veterans.

"The grant has allowed us to reach more people, improve their independence, and reduce social isolation. One veteran we have been supporting for almost three months shared, "Without Vector24, I wouldn't have been able to attend my cancer treatment at the Western General Hospital in Edinburgh. Thanks to their support, I've been able to complete my treatment to the best of my ability, and I'm incredibly grateful."

"From our perspective, the grant has been crucial in enhancing our capacity to serve and ensuring that no one faces life's challenges alone." Marie Crombie, CEO, Vector24.

Total grants from the BFBS Welfare Fund were £377,000 which supported a wide range of activities and projects including:

- The 'Turn to Starboard' programme that uses sailing courses to support those affected by military operations
- Projector, screen and sound system for the Dhekelia Cyprus Families Club
- Large, trailer mounted, LED screen in Bahrain
- TV's for onboard messes on HMS Vanguard
- SHAPE & Brunssum childrens' summer camps
- FM radios for personnel deployed to Estonia
- Pool table for the Colerne, Corsham, Hullavington and Abbey Wood Youth Club
- Playstations for the Thiepval Barracks WRVS Centre
- Sensory room at The Haven Centre, Tidworth, to support autistic children or those with special needs
- UK Armed Forces Sport – supporting 24 different events – angling, athletics, badminton, basketball, canoeing, climbing, cricket, cycling, equestrian, football, golf, hockey, ice hockey, martial arts, netball, orienteering, paragliding, rowing, rugby league, sailing, squash, tennis, volleyball and winter sports.

The BFBS Ice Cream van, in its 14th year, continues to be a hugely popular welfare-focused initiative, bringing joy to Forces personnel and their families with its vanilla-flavoured morale boosters. This past year, we proudly introduced our new 'Green' battery powered ice cream van, ensuring zero emissions at events. The demand for our presence at military locations soared, and we happily dispensed over 40,000 cones at over 100 events, with requests outstripping availability by 2 to 1 during the summer season. We successfully navigated post-Brexit legislation in transporting food products across borders and made a heartwarming return to summer events in Germany for the first time since 2019. It was a delight to spread joy among families, and at a separate location, soldiers on pre-deployment training in searing temperatures, bringing much appreciated cool relief and lots of smiles.

And, to ensure those who are the most disconnected can stay up to date with safe and secure access to newspaper and magazines, our Newsstand initiative within BFBS' 'MiPlayer' product continues to widen its reach with digital print publications. This ensures access to 5 free to read daily newspapers, an impressive spread of lifestyle magazines to support a range of interests, plus 11 Defence publications across all services. These are provided in a format matching a physical magazine directly on personal electronic devices and enables those serving overseas or at sea another opportunity to feel connected to home at a time that suits them. They can read the latest headlines while eating their breakfast, catch up on celebrity gossip or gaming reviews, and even keep up to date with military activity and support services all because of BFBS.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Ethics and Sustainability

BFBS' activities are conducted on a strictly ethical basis, with due regard to the interests of other stakeholders and the wider community. This is fundamental to ensuring the longevity of the Charity and the support we provide to our beneficiaries.

This approach is consistent with that required under Section 172(1) of the Companies Act 2006 and ensures that due consideration is given to the:

- likely long-term consequences of decision making;
- interests of our employees;
- need to foster strong relationships with customers, suppliers and other stakeholders;
- impact of our activities on the community and the environment; and
- importance of maintaining a reputation of high standards of business conduct.

In line with this approach BFBS has formally committed to becoming a carbon net zero organisation by 2050 or sooner. Our Carbon Reduction Plan is published on our website and further details are provided later in this report.

<https://about.bfbs.com/sites/about.bfbs.com/files/2025-10/BFBS%20Carbon%20Reduction%20Plan%202025.pdf>

Employees

We apply an approach of comprehensive communication and engagement with our employees to ensure that they are aware of all issues that affect them, including the operational and financial performance of the Charity. This is done through a range of mechanisms, including fortnightly newsletters, staff surveys, departmental meetings, 'meet the CEO' sessions and all Staff 'Town Hall' meetings.

Engagement with staff is helped further through our 5 employee groups, the Armed Forces Group, Belonging (diversity), Wellbeing, Women, and Green networks. These networks play an important role in strengthening the support available to employees and in ensuring that communication flows effectively throughout the organisation. In addition, our ability to directly support our employees is enhanced by the inclusion of a fulltime Wellbeing and Community Coordinator within our HR team.

Our Director of Finance, David Hamilton, retired in February 2025. He had been with BFBS for 17 years. The Trustees thank him for the enormous contribution he made to the success of BFBS over that time.

Customers, Suppliers and Other Stakeholders

Our approach in working with our customers, suppliers and other stakeholders is an open, collaborative and respectful one. As a Charity whose entire focus is on delivering the best possible set of services for the Forces community, our aims are consistent with those of our principal customer, the MoD. As a not-for-profit organisation, our ability to offer maximum value for money (a key criteria in government procurement) is an important element in strengthening our relationships with our customers.

In working with suppliers, we seek to build stable, long term relationships to provide us with the best possible set of technology and content solutions to support the Forces community. Regular communication, the negotiation of effective and fair subcontracts and ethical commercial dealings, including prompt payment, all play a part in building trust and beneficial relationships with suppliers.

BFBS

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Supporting the Armed Forces Community

We are proud to have received the Armed Forces Covenant Gold Award, the highest recognition for our commitment to supporting members of the Forces, veterans, and their families. This award reflects our ongoing dedication to fair treatment, inclusive employment practices, and active engagement with the Forces community.

As a Gold Award holder, we continue to champion initiatives that promote opportunities for veterans and reservists, and we work closely with partners to uphold the values of the Armed Forces Covenant. This recognition underscores our belief in the value that service personnel bring to the workplace and our commitment to creating a supportive environment for all.

Financial review

Total income for the year ended 31 March 2025 was £32,261,000, closely aligned with total resources expended of £33,445,000. As we approach the end of the three-year extension period of our current MoD contract, our income remains fixed. Consequently, we have absorbed inflationary and operational cost pressures, similar to those faced across the sector, using our cash reserves and investment portfolio.

The value of our investment portfolio decreased to £30,731,000 (2024: £31,433,000) following withdrawals of £1,233,000, while cash balances reduced to £1,735,000 (2024: £2,712,000) as at 31 March 2025. These funds have also supported capital investment of £2,596,000 during the year, with further expenditure anticipated in the coming year as part of our ongoing technology refresh programme.

Despite these pressures, the charity's overall financial position remains strong, with total reserves of £34,992,000, of which £30,731,000 is held within our investment portfolio.

Streamlined Energy & Carbon Reporting (SECR)

BFBS formally committed to becoming a net zero carbon emissions organisation by 2050 or sooner in 2021/22 and since then we have assessed, monitored and reported on our greenhouse gas emissions in line with the Streamlined Energy and Carbon Reporting regulations (SECR).

Data has been collected from invoicing and other reporting provided by our suppliers and also from information directly extracted from our financial accounting system. The conversion factors applied to this data to assess the emissions were taken from "Greenhouse gas reporting: conversion factors 2022" published by the Department for Business, Energy & Industrial Strategy.

The measurements used for this report are divided into three separate sections:

- Scope 1 covers the emissions that we generate directly, including emissions from gas and electricity heating, plus any emissions from company owned vehicles;
- Scope 2 refers to emissions that we generate indirectly and is mainly purchased electricity; and
- Scope 3 covers emissions associated with our operations and includes activities such as business travel, staff commuting and downstream transportation and distribution for our commercial operations.

BFBS

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

The data for 2024/25 is shown in the table below, together with prior year comparatives.

Table 1 BFBS SECR Return Financial Year 2024 / 2025

Source	2023 / 2024		2024 / 2025	
	Consumption kWh	Emissions kgCO ₂ e	Consumption kWh	Emissions kgCO ₂ e
Scope 1				
Purchased Gas	70,119	14,321	96,332	17,695
Refrigerants (All Sources)	-	-	-	40,212
Owned Vehicles	242,580	62,964	249,776	70,026
Scope 1 Total	312,699	77,285	346,108	127,933
Scope 2				
Purchased Electricity	605,193	125,320	735,689	152,343
Scope 2 Total	605,193	125,320	735,689	152,343
Scope 3				
Vehicle Travel	157,153	38,197	151,075	38,209
Air Travel	-	487,787	-	451,684
Rail Travel	-	6,386	-	16,017
Other Travel (Sea)	-	389	-	335
Employee Commuting	305,142	103,820	366,830	83,260
Upstream and Downstream Transportation	-	1,836	-	1,673
Waste	-	758	-	262
Scope 3 Total	462,295	639,173	517,905	591,440
Emissions Total	1,380,187	841,778	1,599,702	871,716
Carbon Intensity (Headcount)		3,189		3,170

While total emissions increased during the 2024/25 reporting period, there are several encouraging indicators that suggest the rate of growth is slowing. Most notably, the carbon intensity ratio per employee has declined, which is likely attributable to the environmental initiatives and heightened awareness that have been systematically embedded across the organisation in recent years.

A further notable improvement is the 7% reduction in air travel emissions, achieved despite an increase in overall headcount. This trend is expected to continue as we implement revisions to our travel policy, appoint a new travel supplier, and maintain robust controls over our travel footprint.

Additional reductions were observed in employee commuting emissions and, to a lesser but still meaningful extent, in waste-related emissions. These improvements are largely the result of our Environmental Management System, introduced as part of our successful accreditation to ISO 14001.

BFBS

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Plans for future periods

The Charity plans to continue to provide the full range of services to its beneficiaries, as currently contracted for with the MoD. In addition, we will continue to seek other sources of funding to support the development and delivery of new services for the Forces community, consistent with the aims of the Charity.

We outline below the status of our broadcasting contract with the MoD.

Key performance indicators

The financial performance of the Charity is monitored on a quarterly basis by the leadership team with both revenues and costs being compared against the BFBS Board approved budget for the year. The quarterly management accounts are presented at each Board meeting together with a commentary on activity, revenue and expense variances.

Key performance indicators ('KPIs') covering the delivery, performance and quality of the services provided under contracts to the MoD have been defined and are monitored and reviewed jointly with the MoD on a quarterly basis. With the opinions of our viewers, listeners and customers of paramount importance to the Charity, audience research surveys are the most significant of the KPIs. In that context, we are pleased to report that audience satisfaction ratings have been consistently 95% and above throughout the year to 31 March 2025, far more than the minimum contractual level required of the Charity by the MoD.

BFBS is a quality broadcaster and committed to maintaining its high standards of service to its viewers and listeners. Quality Assurance programmes have been developed within the radio and television divisions and BFBS has ISO 9001 accreditation.

Investment policy and performance

Under the Memorandum and Articles of Association, the Charity has the power to make any investment that the Trustees see fit. The objective of the Investment Policy is to protect the capital value of the investment assets whilst generating an acceptable level of return from income and capital appreciation. BFBS will not invest directly in derivatives, or in unquoted securities, physical assets or property and will not engage in stock lending or underwriting. The Charity has an ethical Investment Policy to ensure that Environmental, Social and Governance considerations are taken into account by fund managers in devising their investment strategies.

The Investment Committee regularly reviews the performance of the portfolio against relevant benchmarks and meets with the investment managers to review this in detail when appropriate.

The investment portfolio stood at £30,731,000 as of 31 March 2025, some £702,000 lower than on 31 March 2024. Disposals were £1,233,000 with the remaining balance of £531,000 performance related. This performance was closely in line with our relevant benchmarks.

BFBS

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Principal risks and uncertainties

The Board reviews, on an ongoing basis, the major operational, business and financial risks that the Charity faces. The audit committee also meets with the external auditors.

Senior management monitor all operational, business and financial risks that the Charity faces, and confirms that systems are in place to mitigate the significant risks.

The principal risks and uncertainties are as detailed below.

MoD Broadcasting Contract

A substantial proportion of the Charity's revenue comes from the MoD Broadcasting Contract, which ends on 31 March 2026.

The MoD announced in January 2025 that it intended to award BFBS a new ten-year contract for broadcasting services commencing 1 April 2026. We are currently negotiating the detail of the contract with the MoD.

The focus of our Trustees is on providing as strong as possible a range of services to the global Forces community. In addition, our senior managers work closely with the MoD, at all levels, to ensure that the value of the services we deliver are effectively communicated and that the priorities and requirements of our Forces audiences are clearly understood.

Inflation

Inflation in the UK over the past few years has experienced significant fluctuations, largely influenced by global events, supply chain disruptions, and domestic economic policies. While inflation has come down significantly from its 2022 peak, it remains above the Bank of England's target. High rates of inflation would have an adverse impact on costs and could, ultimately, compromise the ability of BFBS to deliver on its full range of charitable activities.

By way of mitigation, Trustees and the leadership team reviews opportunities for cost savings and efficiencies, while also seeking opportunities to increase income from all available sources.

Cyber Security Risk

In common with many organisations, BFBS is vulnerable to cyber-attack which, in the worst case, could compromise our ability to deliver services and/or risk the loss of confidential information.

Best practice in respect of information security has been firmly embedded throughout the organisation in recent years and is regularly reviewed, refreshed and audited to manage and mitigate cyber security risk. BFBS's comprehensive approach on this important issue was recently confirmed by a second full audit in May 2025, following which our ISO27001 certification was retained.

Technology Investment

There is a risk that, without sufficient investment in technology in respect of both equipment and expertise, the Charity could be unable to deliver all the services required by the MoD for the current contract or for a future one.

To mitigate this risk the Board has implemented a programme of technology refreshes in up-to-date transmission systems, studios, delivery platforms and other equipment. In addition, recruitment, retention and training programmes have been put in place to ensure the Charity has in-house technical personnel with the appropriate skills and expertise.

BFBS

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Reserves policy

At 31 March 2025, the Charity held 'unrestricted funds – other charitable funds' totalling £34,992,000 (2024: £35,645,000). The Charity's policy is to maintain reserves at a level sufficient to ensure that there is no major disruption to our services for beneficiaries in the event of unforeseen increases in expenditure or reductions in income, whilst at the same time allowing investment in new projects designed to ensure the long-term financial sustainability of the Charity. In the event of the loss of the MoD Broadcasting Contract, the maintenance of an adequate level of reserves would be particularly important in providing a continuing flow of investment income to fund charitable activities.

Going Concern

The Charity's operations are underpinned by its long-term contract with the MoD. The nature of this contract enables the Charity to forecast future revenues with reasonable certainty and costs continue to be controlled to ensure that total income from charitable activities approximately matches total outgoings. Consequently, the Trustees believe that the Charity is well placed to manage its operational risks successfully, despite the current uncertain economic outlook.

Also, taking into account the level of Reserves, the Trustees therefore have a reasonable expectation that the Charity has adequate resources to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial risk management objectives and policies

The Charity uses various financial instruments including cash, equity investments, and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the Charity's operations.

The existence of these financial instruments exposes the Charity to several financial risks, which are described in more detail below.

The main risks arising from the Charity's financial instruments are market risk, liquidity risk, currency risk, interest rate risk, cash flow and credit risk. The Trustees review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Market risk

Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. The Charity's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled "interest rate risk" below.

Liquidity risk

The Charity seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

A managed risk is the timing and advance funding of expenditure to provide charitable services, and the subsequent receipts from the MoD. An overdraft facility has been put in place so that, in the event of significant expenditures, these can be funded before the receipts from the MoD are obtained.

Currency risk

Forward exchange contracts for US dollars and Euros are used to manage currency fluctuations on purchases in foreign currency, matching the future foreign currency commitment when due.

BFBS

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Interest rate risk

The Charity has an overdraft facility in place which is subject to variable interest rates. Rates are monitored closely and, if necessary, alternative sources of funding through the sale of investments are considered.

Cash flow and credit risk

The Charity's trade debtors principally represent amounts due from the MoD. To manage credit risk and to ensure prompt payment we have built up a strong relationship with the MoD and maintain regular contact with them throughout the period between the issue of invoices and the receipt of payments, resolving any issues or queries that may arise in the meantime.

Structure, governance and management**Charity Status**

The Charity is a company limited by guarantee (company number 00407270) and is registered as a charity (Charity number 00233480). Members of the organisation guarantee to contribute an amount not exceeding £1 each to the assets of the organisation in the event of a winding up. The total number of such guarantees at 31 March 2025 was 11 (2024: 11).

Our Aims and Objectives

Our Charity's aims, as described in the Memorandum and Articles of Association, are to promote the efficiency of HM Armed Forces through the provision of services related to entertainment, information, education, welfare and training. These aims were developed further in the update of the Memorandum and Articles of Association as at September 2017, adding to advance the education of the Armed Forces Community for the benefit of the public, where the 'Armed Forces Community' comprises current service personnel, reservists, cadets, veterans, service leavers and civilians who work in direct support of the UK military.

Ensuring our work delivers our aims

Our activities are subject to continual review throughout the year by both the Board of Trustees and the Executive Team. This review process helps us to ensure that all our activities remain focused on our stated aims and objectives.

In this context the Board of Trustees can confirm that they have complied with their duty under section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in planning and implementing all the activities of the Charity.

Organisation

A Board of Trustees, which meets four times a year, administers the Charity. There are subcommittees covering investment, audit, remuneration, Board and Senior Management nominations and the distribution of welfare funds:

- investment committee meets regularly during the year. At each Board meeting, it reports to the Board on the performance of investments;
- audit committee meets during the audit process each year, and on further occasions as required;
- remuneration committee meets to determine senior staff remuneration at least once a year;
- nominations committee meets no less than once a year to recommend any alterations to the Board that are deemed necessary and to appoint Senior Management; and
- welfare fund committee meets as and when required to deal with requests received and reports to the Board at each Board meeting.

BFBS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

A Chief Executive is appointed by the Board to manage the day-to-day operations of the Charity.

All members of the Board are Directors for the purposes of company law and Trustees for the purposes of Charity law. All Trustees served throughout the year, except as noted below.

The Trustees are elected by the existing Board, which may, at any time, co-opt any person duly qualified to be appointed, as a member of the Board to fill a vacancy in their number. All proposed appointments are subject to approval by the Board. The Board shall include individuals who have held commissioned rank in the Forces and civilians with relevant business experience. The total members of the Board must number between 3 and 13.

Excluding the Chair, from time to time, each Trustee shall retire from office at the third annual general meeting following the commencement of his or her term of office. Retiring Trustees may be reappointed.

The membership of the Board is set out below:

Major General Christopher Wilson – chairman of the Charity, the nomination, remuneration and welfare fund committees and member of the investment and audit committees

Howard Perlin – vice chairman of the Charity, chairman of the audit committee, and member of the remuneration, investment and nomination committees

Tony Hales – chairman of the investment committee and member of the audit, nomination and remuneration committees

Deborah Loudon – resigned 1 May 2025

Rear Admiral Anthony Rix RN – member of the welfare fund committee

Helen Depree – member of the audit committee

Vanella Jackson – member of the investment committee

Darren Long

David Moody

Niall MacGinnis

Air Commodore Richard Fogden - member of the welfare fund committee

Julie Wheals – appointed 10 June 2025, member of the remuneration committee

Trustee induction

All new Trustees undertake an induction programme on joining the Board. The aim of this programme is to introduce new Trustees to the Charity's objectives, operations and governance arrangements. The induction programme includes a pre-appointment pack, meetings with senior management, a visit to the principal facility, presentations on key financial and operational areas and relevant documentation. Trustees are regularly updated on changes to charity and company law as well as changes to other legislation which have an impact on the Charity. Trustees are expected to remain updated with charity best practice.

Welfare committee

A subcommittee exists to review applications for grants from the Forces. The review process includes ensuring that the provision of each grant is within the terms of the charitable objectives of the Charity.

The Charity continues to actively promote its welfare fund to the Forces by regular communication to the Directorate of Defence Communications (DDC) and their single service equivalents, direct communication with the Forces via the Charity's website and promotional features on BFBS radio and the main BFBS television channel.

Grants are awarded to units of the Forces in respect of worthy causes associated with education, training, welfare and entertainment needs. The welfare fund committee meets as and when required to deal with applications received and reports to the Board at each Board meeting. The Chief Executive and Director of Finance are authorised to approve individual grants with a value of less than £10,000, whilst the welfare fund committee is authorised to approve grants with a value of less than £50,000. Individual grants of more than this value are approved by the Board. Grants are approved if the purpose is a worthy cause and is within the terms of

BFBS

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

the objectives of the Charity. During the financial year, 59 applications for grants were either partially or fully awarded. The average value of grants made during the year was £6,388.

Principal funding sources

The principal source of funding is the MoD for the services delivered under contract to them.

Disabled workers

It is the Charity's policy to follow the Government's guidelines on the employment of disabled workers as far as it is possible.

Statement of Trustees' responsibilities

The Trustees (who are also Directors of BFBS for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

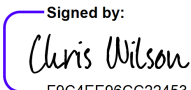
BFBS

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Auditor

Blick Rothenberg Audit LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Charity receives notice under section 488(1) of the Companies Act 2006.

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

Signed by:

F9C4EE96CC22453...
Major General Christopher Wilson
(Chair of Trustees)

Date: 03-Dec-25 | 17:33 GMT

BFBS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS

Opinion

We have audited the financial statements of BFBS (the 'Parent Charitable Company') and its subsidiary (the 'Group') for the year ended 31 March 2025 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the Charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2025 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

BFBS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report including the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- the Parent Charitable Company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

BFBS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group through discussions with senior management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group, including the Companies Act 2006, Charities SORP (FRS 102), Charities Act 2011, Charity Code of Governance and The Ofcom Broadcasting Code;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims;

BFBS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS (CONTINUED)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

Blick Rothenberg Audit LLP

1D410D265EA1491...

Mahmood Ramji (senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

16 Great Queen Street

Covent Garden

London

WC2B 5AH

Date: 03-Dec-25 | 17:40 GMT

BFBS

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	Unrestricted funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Income from:				
Charitable activities	4	30,907	30,907	29,844
Other trading activities	5	1,317	1,317	1,010
Investments	6	37	37	1,131
Total income		32,261	32,261	31,985
Expenditure on:				
Trading expenses		297	297	374
Charitable activities:	7			
Investment management costs		186	186	151
Costs in respect of charitable activities		32,722	32,722	31,491
Governance costs		240	240	223
Total resources expended		33,445	33,445	32,239
Net expenditure before fair value movements		(1,184)	(1,184)	(254)
Fair value movements on investments	11	531	531	1,248
Net movement in funds		(653)	(653)	994
Reconciliation of funds:				
Total funds brought forward		35,645	35,645	34,651
Net movement in funds		(653)	(653)	994
Total funds carried forward		34,992	34,992	35,645

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

All funds are unrestricted.

The notes on pages 30 - 48 form part of these financial statements.

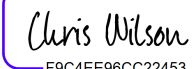
BFBS
REGISTERED NUMBER: 00407270

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2025

	Note	2025 £000	2024 £000
Fixed assets			
Tangible assets	10	5,112	3,605
Investments	11	30,731	31,433
		<u>35,843</u>	<u>35,038</u>
Current assets			
Debtors	12	2,132	2,112
Investments - bank deposits	13	1,474	2,345
Cash at bank and in hand	13	261	367
		<u>3,867</u>	<u>4,824</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(4,718)	(4,217)
		<u>(851)</u>	<u>607</u>
Net current (liabilities) / assets			
		<u>34,992</u>	<u>35,645</u>
Total assets less current liabilities			
		<u>34,992</u>	<u>35,645</u>
Total net assets		<u>34,992</u>	<u>35,645</u>
Charity funds			
Restricted funds	16	-	-
Unrestricted funds	16	34,992	35,645
		<u>34,992</u>	<u>35,645</u>
Total funds		<u>34,992</u>	<u>35,645</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

Signed by:

 F9C4EE96CC22453...

Major General Christopher Wilson
(Chair of Trustees)

Date: 03-Dec-25 | 17:33 GMT

The notes on pages 30 to 48 form part of these financial statements.

BFBS
REGISTERED NUMBER: 00407270

CHARITY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note	2025 £000	2024 £000
Fixed assets			
Tangible assets	10	5,112	3,605
Investments	11	30,731	31,433
		35,843	35,038
Current assets			
Debtors	12	2,042	1,736
Investments - bank deposits	13	1,474	2,345
Cash at bank and in hand	13	193	267
		3,709	4,348
Creditors: amounts falling due within one year	14	(4,560)	(3,741)
Net current (liabilities) / assets		(851)	607
Total assets less current liabilities		34,992	35,645
Total net assets		34,992	35,645
Charity funds			
Restricted funds	16	-	-
Unrestricted funds	16	34,992	35,645
Total funds		34,992	35,645

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

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

Signed by:

 F9C4EE96CC22453...
Major General Christopher Wilson
 (Chair of Trustees)

Date: 03-Dec-25 | 17:33 GMT

The notes on pages 30 - 48 form part of these financial statements.

BFBS

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025**

	2025 £000	2024 £000
Cash flows from operating activities		
Net expenditure before fair value movements	(1,184)	(254)
Adjustments for:		
Depreciation of tangible assets	1,089	1,262
Profit on disposal of investments	-	(21)
Dividends received	(37)	(1,131)
Decrease/(increase) in debtors	(20)	194
Increase in creditors	501	967
Net cash provided by operating activities	1,533	1,271
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,596)	(1,236)
Sale of tangible fixed assets	-	285
Sale of investments	1,233	-
Dividends received	37	1,131
Cash flows from investing activities	(1,326)	180
Change in cash and cash equivalents in the year	(977)	1,197
Cash and cash equivalents at the beginning of the year	2,712	1,515
Cash and cash equivalents at the end of the year	1,735	2,712

The notes on pages 30 - 48 form part of these financial statements

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. General information

BFBS is a Charitable Company limited by guarantee and incorporated in England and Wales. The address of its registered office and principal place of business is Chalfont Grove, Narcot Lane, Gerrards Cross, Buckinghamshire, SL9 8TN.

The financial statements are presented in Sterling (£), which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £'000.

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) and the Companies Act 2006.

BFBS 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 consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

2.2 Going concern

After reviewing the Charity's and Group's forecasts and their accompanying risks, the Trustees have a reasonable expectation that the Charity and Group have adequate resources to continue in operational existence for at least twelve months from when the financial statements are authorised for issue and as a result they continue to adopt the going concern basis in preparing the Annual Reports and Accounts.

2.3 Income**Income recognition**

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.

Activities in furtherance of the Charity's objects represent the total amount receivable by the Charity and the Group, excluding VAT, in the ordinary course of business for goods supplied and for services provided in broadcasting, live entertainment and related services.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2. Accounting policies (continued)**2.3 Income (continued)****Investment income**

Investment income comprises interest receivable on short-term deposits and all investment income from fixed asset investments including reinvested income.

The investment portfolio has transitioned from a dividend-paying structure to an accumulating structure. As a result, dividends are now automatically reinvested within the fund and are no longer received as cash income. This change affects the recognition of investment income, which will now be reflected through unrealised gains rather than dividend receipts.

Voluntary income

Voluntary income is accounted for when the Charity has entitlement to the funds, the amount can be reliably quantified and there is reasonable certainty of its ultimate receipt.

Trading income

Trading income is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Trading income is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before trading income is recognised:

Sale of goods

Trading income from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of income can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Trading income from a contract to provide services is recognised in the period in which the services are provided and when all of the following conditions are satisfied:

- the amount of income can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2. Accounting policies (continued)**2.4 Expenditure****Resources expended**

Liabilities are recognised as resources expended as soon as the Group has a legal or constructive obligation committing the Group to the expenditure. Resources expended are included in the Statement of Financial Activities ("SOFA") on the accruals basis, inclusive of any VAT which cannot be recovered. Resources expended under the charitable activities include all costs incurred by the Group in the delivery of goods and services directed at the achievement of its charitable objectives. These are disclosed in further detail in note 7 to the financial statements.

Grants made

Grants are expensed to the SOFA on the accruals basis and when specifically authorised.

Investment management costs

Resources expended under investment management costs are recognised on the accruals basis.

Governance costs

Resources incurred under governance costs include all specific costs of governance arrangements relating to the Charity and are recognised on the accruals basis.

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

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more 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 are 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.

Depreciation is provided on the following bases:

Leasehold premises	- Length of the lease
Short-term leasehold property	- Length of the lease
Office equipment	- Between 3 and 5 years
Other fixed assets	- Between 3 and 5 years

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2. Accounting policies (continued)**2.6 Investments**

Investments are included at market values provided by the fund managers at the balance sheet date. All gains and losses, whether realised or unrealised, are included in the SOFA.

The Charity also holds short term deposits for the purpose of liquidating into cash if the need arises, and these are included at market value. Such short term deposits are considered liquid resources by the Charity.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts. Accrued income represents income receivable in respect of services provided.

2.8 Cash and liquid assets

Cash at bank and cash holdings within the investment portfolio includes cash and short-term highly liquid investments with an original maturity date of three months or less. The Trustees consider both cash held within its own bank accounts and balances held by our Investment Managers when considering the liquidity of the Group.

2.9 Liabilities and provisions

Liabilities are recognised when there is a legal and constructive obligation committing the Group to the expenditure. Creditors and provisions are normally recognised at their settlement amount after allowing for trade discounts due.

2.10 Financial instruments

The Charity and Group recognise financial instruments when they become a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Charity's and Group's accounting policies in respect of financial instruments transactions are explained below:

Financial assets**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate account with the loss being recognised within administrative expenses in the SOFA. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2. Accounting policies (continued)**2.10 Financial instruments (continued)****Fair value through profit and loss**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial liabilities

The Group classifies all of its financial liabilities as liabilities at amortised cost.

2.11 Pensions

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

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 Group and which have not been designated for other purposes.

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

2.13 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any provision for losses arising on impairment.

2.14 Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities in foreign currencies are translated at the rates ruling at the date of acquisition, or average rate if not materially different. Exchange differences are dealt with in the SOFA. Exchange gains and losses are allocated to the appropriate income or expenditure category.

2.15 Operating lease commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2. Accounting policies (continued)**2.16 Defined contribution pension scheme**

The Charity recognises the contribution payable for a period;

- as a liability, after deducting any amount already paid.
- as an expense, unless another section of the FRS requires the cost to be recognised as part of the cost of an asset such as inventories or property, plant and equipment.

The pension costs charged against profits are the contributions payable to the scheme in respect of the accounting period.

2.17 Taxation

As a registered Charity, income and capital gains of the Charity are generally exempt from tax if applied for charitable purposes.

2.18 Forward currency contracts

Foreign currency forward contracts are used to manage currency fluctuations on purchases in foreign currency by entering into a foreign currency forward contract to match the future foreign currency commitment when due.

Fair value movements in the valuation of outstanding contracts are recognised in the SOFA. Outstanding foreign currency forward contracts at the reporting date are included within debtors or creditors on the balance sheet depending on the year-end position.

2.19 Financial liabilities and equity instruments

Financial instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of the financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the income and expenditure account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

BFBS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

3. Significant judgements and estimates

Preparation of the financial statements requires the Trustees to make significant judgements, estimates and assumptions about the carrying values of assets and liabilities not readily apparent from other sources. The key judgements and sources of estimation that have a significant effect on the amounts recognised in the financial statements include:

Critical accounting estimates and assumptions:

The Charity receives monthly fees for the provision of broadcasting services. Revenue receipts and deferred income are accounted for in accordance with FRS 102 with, for example, any receipts for work not yet performed being treated as deferred revenue as estimated by management.

Useful economic lives of operational fixed assets

As explained further within the tangible fixed assets policy - buildings, plant, machinery and vehicles held by the Charity are depreciated from acquisition based on their useful economic life, so as to write-off the cost of the asset less any residual value (if any). Judgement is required to assess the length of the life, and this is evaluated based on past experience, asset classification and condition reviews. Depreciation rates for classes of assets are reviewed annually, to ensure they remain appropriate with reference to external and internal factors, including the level of proceeds (and resulting profit/losses) recognised on disposal of such items.

Valuation of foreign currency forward contracts

Foreign currency forward contracts are fair valued using observable forward exchange rates corresponding to the maturity of the contract, as judged by management depending on materiality of the transactions.

4. Income from charitable activities

The income for the year was attributable to the Charity's objects as described in it's Memorandum of Association. Incoming resources receivable from charitable trading activities during the year were as follows:

	Unrestricted funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Incoming resources from charitable activities	30,907	30,907	29,844

BFBS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

4. Income from charitable activities (continued)

The majority of the income resulted from activities delivered overseas.

During the year, the Charity provided services under contracts with the Ministry of Defence for the provision of television, radio, training and cinema services. These activities accounted for approximately 91% (2024: 92%) of the total income for the year. Services and supplies provided to the Forces on operations or stationed in the UK or overseas, but not under contract to the Ministry of Defence, include the operation and management of 11 cinema services (2024: 11) located in Cyprus, The Falkland Islands and the United Kingdom.

On occasions, the Charity benefits from the provision of content as additional support from third parties. Although it is not possible to reliably measure the value of this support, it is much appreciated and helps BFBS provide the strongest possible range of services to the Forces.

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Trading income	1,317	1,317	1,010

Trading income relates to income generated by the subsidiary, BFBS Media Limited, from which all profits are donated to BFBS.

6. Investment income

	Unrestricted funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Dividends and interest receivable from fixed asset investments	37	37	1,131

The investment portfolio has transitioned from a dividend-paying structure to an accumulating structure. As a result, dividends are now automatically reinvested within the fund and are no longer received as cash income. This change affects the recognition of investment income, which will now be reflected through unrealised gains rather than dividend receipts.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

7. Resources expended

	Grants 2025 £000	Direct costs 2025 £000	Support costs 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Costs paid to external parties in respect of charitable activities	-	28,052	5,016	33,068	31,849
External grants made in respect of specific requests	377	-	-	377	390
	<u>377</u>	<u>28,052</u>	<u>5,016</u>	<u>33,445</u>	<u>32,239</u>

	Unrestricted funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Staff costs	2,663	2,663	2,308
Depreciation	317	317	191
Other support costs	2,036	2,036	2,498
	<u>5,016</u>	<u>5,016</u>	<u>4,997</u>

Resources expended in Governance costs

Governance costs total £240,000 (2024: £223,000) and include £196,000 (2024: £181,000) in respect of a proportion of senior management remuneration.

	2025 £000	2024 £000
- Fees payable for the audit of the Charity's and Group annual accounts	42	41
- Fees payable for taxation compliance services	2	2
- Fees payable for other services	5	4
Depreciation of owned fixed assets (excluding buildings)	846	1,096
Depreciation of buildings	243	166
Hire of plant and machinery	74	44
Foreign exchange loss	149	122
Profit on disposal of tangible fixed assets	(126)	(21)
Employee costs	<u>15,541</u>	<u>14,687</u>

BFBS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

8. Staff costs

	Group 2025 £000	Group 2024 £000	Charity 2025 £000	Charity 2024 £000
Wages and salaries	13,291	12,587	13,291	12,587
Social security costs	1,359	1,274	1,359	1,274
Contribution to defined contribution pension schemes	891	826	891	826
	<u>15,541</u>	<u>14,687</u>	<u>15,541</u>	<u>14,687</u>

BFBS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

8. Staff costs (continued)

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

	Group 2025 No.	Group 2024 No.
Activities in furtherance of the Charity's objects	266	256
Management and administration	8	8
	<u>274</u>	<u>264</u>

The remuneration of the Senior Leadership Team is set by the Remuneration Committee of the Board of Trustees, which consists of non-executive Trustees.

No Trustee or persons with a family or business connection with a Trustee, received remuneration or benefits in the year, directly or indirectly from the Group. An amount of £1,163 for expenses (2024: £1,154) was reimbursed to 4 Trustees (2024: 2). The nature of the expenses was travel and subsistence.

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

	Group 2025 No.	Group 2024 No.
£60,001 - £70,000	23	17
£70,001 - £80,000	7	10
£80,001 - £90,000	7	2
£90,001 - £100,000	3	4
£100,001 - £110,000	2	2
£110,001 - £120,000	2	2
£120,001 - £130,000	1	1
£130,001 - £140,000	1	1
£140,001 - £150,000	1	1
£150,000 - £160,000	1	-

Contributions totalling £287,654 (2024: £235,105) were paid in respect of 48 (2024: 40) higher paid employees in the year relating to the defined contribution scheme.

The Trustees consider key management personnel to comprise the members of the Senior Leadership Team. The total employment benefits, including employer pension contributions, of the Senior Leadership Team were £1,222,624 (2024: £1,182,334).

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

9. Grant payments

	Unrestricted funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Big Salute	15	15	15
Live Entertainment	167	167	126
Combined Sport	120	120	110
Navy	10	10	-
Other grants made to the Forces	65	65	139
	<u>377</u>	<u>377</u>	<u>390</u>

10. Tangible fixed assets**Group and Charity**

	Long-term leasehold property £000	Short-term leasehold property £000	Equipment £000	Assets under the course of construction £000	Total £000
Cost					
At 1 April 2024	1,978	6	16,530	1,093	19,607
Additions	-	-	-	2,596	2,596
Disposals	-	-	(110)	-	(110)
Transfers between classes	401	-	1,197	(1,598)	-
At 31 March 2025	<u>2,379</u>	<u>6</u>	<u>17,617</u>	<u>2,091</u>	<u>22,093</u>
Depreciation					
At 1 April 2024	1,063	6	14,933	-	16,002
Charge for the year	243	-	846	-	1,089
On disposals	-	-	(110)	-	(110)
At 31 March 2025	<u>1,306</u>	<u>6</u>	<u>15,669</u>	<u>-</u>	<u>16,981</u>

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

10. Tangible fixed assets (continued)**Group and Charity (continued)**

	Long-term leasehold property £000	Short-term leasehold property £000	Equipment £000	Assets under the course of construction £000	Total £000
Net book value					
At 31 March 2025	1,073	-	1,948	2,091	5,112
At 31 March 2024	915	-	1,597	1,093	3,605

11. Fixed asset investments

Group and Charity	Investments £000
Valuation	
At 1 April 2024	31,433
Disposals	(1,233)
Revaluations	531
At 31 March 2025	30,731
Net book value	
At 31 March 2025	30,731
At 31 March 2024	31,433

BFBS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Principal subsidiary

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity	Holdings	Included in consolidation
BFBS Media Limited	03665251	Chalfont Grove, Narcot Lane, Chalfont St Peter, Gerrards Cross, Buckinghamshire, SL9 8TN	Provision of media services	100%	Yes

The financial results of the subsidiary for the year were:

	Income £000	Expenditure £000	Profit/(Loss) for the year £000	Net assets £000
BFBS Media Limited	1,316,556	(296,982)	1,019,574	2

11. Fixed asset investments

	2025 £000	2024 £000
Equities	29,830	24,692
Fixed interest and cash	901	4,638
Other	-	2,103
	<u>30,731</u>	<u>31,433</u>

BFBS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

12. Debtors

	Group 2025 £000	Group 2024 £000	Charity 2025 £000	Charity 2024 £000
Due within one year				
Trade debtors	768	801	706	413
Amounts owed by group undertakings	-	-	-	62
Other debtors	10	6	10	6
Prepayments and accrued income	1,354	1,305	1,326	1,255
	<u>2,132</u>	<u>2,112</u>	<u>2,042</u>	<u>1,736</u>

13. Cash at bank and in hand

	Group 2025 £000	Group 2024 £000	Charity 2025 £000	Charity 2024 £000
Bank and cash balances	261	367	193	267
Investments - bank deposits	1,474	2,345	1,474	2,345
	<u>1,735</u>	<u>2,712</u>	<u>1,667</u>	<u>2,612</u>

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

14. Creditors: amounts falling due within one year

	Group 2025 £000	Group 2024 £000	Charity 2025 £000	Charity 2024 £000
Bank overdrafts	51	-	51	-
Trade creditors	1,258	1,369	1,258	1,369
Amounts owed to group undertakings	-	-	444	-
Other taxation and social security	1,144	999	1,124	987
Other creditors	307	159	307	158
Accruals and deferred income	1,895	1,660	1,313	1,197
Fair value of foreign currency contracts	63	30	63	30
	4,718	4,217	4,560	3,741

Deferred income is recognised when the applicable service has been provided. The movement in deferred income is analysed below:

	Group 2025 £000	Group 2024 £000	Charity 2025 £000	Charity 2024 £000
Deferred income at start of the year	718	360	262	336
Amounts recognised in the current year	(718)	(360)	(262)	(336)
Amounts deferred in the current year	823	718	250	262
Deferred income at the end of the year	823	718	250	262

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

15. Financial instruments

	Group 2025 £000	Group 2024 £000	Charity 2025 £000	Charity 2024 £000
Financial assets				
Financial assets measured at fair value through income and expenditure	32,464	34,145	32,398	2,612
Financial assets that are debt instruments measured at amortised cost	1,032	906	799	-
	33,496	35,051	33,197	2,612
	Group 2025 £000	Group 2024 £000	Charity 2025 £000	Charity 2024 £000
Financial liabilities				
Derivative financial instruments measured at fair value through income and expenditure	(63)	(30)	(63)	(30)
Financial liabilities that are debt instruments measured at amortised cost	(2,610)	(2,470)	(2,600)	(2,462)
	(2,673)	(2,500)	(2,663)	(2,492)

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and amounts owed by the subsidiary undertaking.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to the subsidiary undertaking.

Financial assets/(liabilities) measured at fair value are cash, listed investments and foreign currency forward contracts. Listed investments are stated at their mid-market values as at the balance sheet date. The fair value of currency forward contracts have been determined using observable forward exchange rates corresponding to the maturity of the contract.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

16. Unrestricted funds - Charity and Group**Unrestricted funds - current year**

	Balance at 1 April 2024 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2025 £000
Unrestricted funds					
General Funds - all funds	35,645	32,261	(33,445)	531	34,992

Unrestricted funds - prior year

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2024 £000
Unrestricted funds					
General Funds - all funds	34,651	31,985	(32,239)	1,248	35,645

17. Contingent liabilities

There are no contingent liabilities as of 31 March 2025 and 31 March 2024.

18. Operating lease commitments

At 31 March 2025 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £000	Group 2024 £000	Charity 2025 £000	Charity 2024 £000
Land and Buildings				
Not later than 1 year	631	359	631	359
Later than 1 year and not later than 5 years	1,478	1,483	1,478	1,483
Later than 5 years	210	-	210	-
Other	2,319	1,842	2,319	1,842
Not later than 1 year	147	75	147	75
Later than 1 year and not later than 5 years	153	-	153	-
	2,619	1,917	2,619	1,917

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

19. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the Group.

Transactions in respect of Trustees' expenses and key management personnel remuneration are disclosed in note 8.

BFBS

England & Wales - Charity number 233480

Accounts

Registered number: 00407270
Charity number: 233480

BFBS
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

BFBS

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**ADMINISTRATIVE DETAILS OF THE CHARITY AND ITS ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024**

Company registered number	00407270
Charity registered number	233480
Registered office	Chalfont Grove Narcot Lane Gerrards Cross Buckinghamshire SL9 8TN
Websites	www.bfbs.com www.forces.net
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants 16 Great Queen Street Covent Garden London WC2B 5AH
Bankers	HSBC Bank plc 65 Packhorse Road Gerrard Cross Bucks SL9 8PH

BFBS

ADMINISTRATIVE DETAILS OF THE CHARITY AND ITS ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Solicitors	Bates Wells 10 Queens Street Place London EC4R 1BE
	KLC Employment Law Consultants LLP Mill Pool House Mill Lane Godalming Surrey GU7 1EY
Investment managers	M & G Investments 10 Fenchurch Avenue London EC3M 5AG
	Investec 30 Gresham Street London EC2V 7QP
	CCLA Investment Management 1 Angel Lane London EC4R 3AB
	Waverton Investment Management 16 Babmaes Street London SW1 Y6A

BFBS

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The Board of Trustees of BFBS has pleasure in presenting its report, which incorporates the strategic report, on the activities and results for the year ended 31 March 2024.

Our aims and how our activities deliver public benefit

Our Charity's aims are to promote the efficiency of HM Armed Forces ('the Forces') through the provision of services related to entertainment, information, education, welfare and training.

Our activities deliver benefit through:

- Providing dedicated radio and TV channels for Forces personnel and their families, whilst stationed or deployed abroad;
- Providing local radio channels in military bases in the UK together with a national BFBS service on DAB+, online, via mobile apps and through Sky and Freesat;
- Creating Forces related video and social media content for distribution across a wide range of digital platforms;
- Showing films in military bases throughout the UK and overseas;
- Staging entertainment shows;
- Running training courses for serving personnel, veterans, military spouses and military charities; and
- Providing video production and digital support services to the Ministry of Defence ('MoD') and military charities.

Taken together the cumulative impact of all our activities is to provide a critical component in the maintenance of the morale and wellbeing of the Forces and their families.

Achievements and performance

The year to 31 March 2024 saw the continuation of our programme to invest in technology to ensure that the services provided to the Forces are as robust and as comprehensive as possible, wherever they are based in the world. Projects completed included the design and implementation of innovative new TV distribution systems in the Far East, across Brunei, Nepal and Diego Garcia, a revamp of our radio station in Lisburn, Northern Ireland, a camera refresh for our News and Sport teams and the build of updated TV transmission systems in the Ascension Islands. We were also delighted to start working with BT this year in the updating of our multiplexing, encoding and uplinking services. This new partnership will provide significant opportunities to innovate and strengthen our offering to our Forces audiences in the coming years.

The use of data to assess the effectiveness of the services we provide and to support decision making has become firmly embedded within BFBS. Surveys by independent market research organisations have found that over 80% of the overseas based Forces community are listeners and viewers of BFBS Radio & TV. Furthermore, of that audience, over 95% are satisfied or very satisfied with the services provided. These findings are reinforced by surveys carried out by the military themselves, including that conducted by the Royal Navy of those serving as part of the Carrier Strike Group 2023. This showed that 85% of personnel accessed BFBS services.

Internal data on the composition of our own workforce also has an important role to play and, as at 31 March 2024, 22% of BFBS staff were either veterans, reservists or military spouses. When staff who have a parent who served are included too, the proportion pushes up to 35%. These metrics highlight the direct benefit we provide to the Forces and their families through employment and also evidence the strong understanding we have of the community we serve - many of our staff either currently are or have been part of BFBS' audiences.

We continued to demonstrate our agility and capability to support personnel deployed on overseas operations this year, including a further strengthening of our TV, Cinema and Live Entertainment services for those based in Eastern Europe. We are also pleased to have been able to support Operation Interflex, the UK military's training programme for Ukrainians, through the provision of a range of Ukrainian language TV channels. Elsewhere, our support in championing Ukraine and in countering Russian disinformation has been much appreciated by the MoD. As part of this effort, we embedded a member of our creative team with them to produce a series of

BFBS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Ukraine related documentaries, each of which performed strongly on the MoD's YouTube channel.

This year we were honoured to be asked to produce a film with Buckingham Palace of our patron, Her Majesty The Queen, speaking to the military community to mark Armed Forces Day. The film included footage we shot during Her Majesty's engagements throughout the year, including in inspecting the Royal Lancers, as Colonel-in-Chief and in meeting veterans at the Poppy Factory. The video was reported widely across the UK media and had 2.5 million views on Instagram on Armed Forces Day.

Across the Forces world, the BFBS teams live and work in the heart of the communities they serve, where they go above and beyond every day to make a difference. Their work and the added value it brings is often so much more than simply what they do on air or behind the broadcast scenes. This is reflected in many of the testimonials we received from recipients of BFBS services this year, including this from the Commanding Officer in Germany:

"I just wanted to write and thank you and all of your BFBS Team for a fantastic Quiz Night that you put on for the community and the Training Troops as well for the BFBS Big Salute. It was great to see how many once again took part, they really are becoming popular. I would also like to pass on not only my thanks but those of every CO coming through Sennelager for the superb support in linking many up with their loved ones back home, BFBS at its very best supporting the moral component and keeping soldiers and their families in touch. You and your team truly are force multipliers making a difference to many people's lives. Thank you". Lt Col D.S. Wild MBE BEM KRH, Commanding Officer, HQ Germany.

Broadcasting

BFBS Radio teams across the UK and around the world have prioritised bringing fun and engaging entertainment, music and a wealth of information, news and sport to audiences, putting the Forces community at the centre of everything they do. As part of our focus on welfare through entertainment, we've broadcast music specials with artists including Texas, Feeder, Sigma, Busted, JLS, Nath Brooks, James Blunt, Becky Hill and Kaiser Chiefs. We've covered major entertainment events such as the BRIT Awards, and the Army v Navy Rugby from Twickenham, and added a Forces' perspective to international sporting events such as the FIFA Women's World Cup and the Rugby World Cup.

This year saw special programming to mark the Coronation of King Charles III, with coverage focused on the behind-the-scenes role of the Armed Forces at this global spectacle. Our new podcast series, 'Near Death', was launched, telling the incredible stories of the brushes with death experienced by our serving personnel. Recognising that e-sports and gaming are huge with our audience, we delivered a third series of our show e-Sports Live with a new podcast version alongside the radio and video live programmes.

BFBS Radio in the UK reaches a wide audience of listeners – around a million a month – of whom 70% are from the Forces community (serving, spouses/partners, veterans, reservists, families and cadets). The other 30% are members of the public who like hearing about Britain's military, love our music playlists and embrace the fact we have no commercials. Although the station primarily exists to entertain, connect and inform the Forces community, its role in championing the work they do to the wider general public is also an important one.

"I just wanted to say, BFBS radio has now become the only station I listen to both in the car and in my garden, where I spend a lot of time. I like the presenters (they are actually very knowledgeable and interesting), the music mix, the guests and the 'lack' of advertising etc. I very rarely listen to or watch the news, yet I can keep up with what is going on around the world, in an unbiased and what I believe is a more honest way, through the forces stories that you share" Ronnie L, via e mail.

Our services to the Brigade of Gurkhas in the UK and overseas remain an essential part of our delivery with BFBS Gurkha Radio reaching 84% of serving personnel and their families, mixing music, news and information from Nepal with full coverage of military events and activities from serving Gurkhas and the veteran community, all in the Nepali language. We have added new transmitters into new locations as the Brigade's footprint has expanded and continued to develop ways of listening to this service, switching from AM to FM transmission in several areas in the UK in the past year, and adding the station to more small-scale DAB transmitters in areas

BFBS

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

with concentrations of Gurkha soldiers. BFBS Gurkha Radio remains our most popular web stream, with around 370,000 listening hours per month, for Nepali speakers based all over the world.

For our TV teams, delivering the broadest, premium mix of content available remains the focus - ensuring those personnel and families based overseas stay in touch and their wellbeing is supported with great entertainment. Industry relationships are as solid as ever, with high appreciation for the work of BFBS as a charity in support of the men and women of the UK Armed Forces, who keep us safe.

Renewed support and endorsement of the BFBS's 'trusted gatekeeper' position with the major Hollywood studios, rights holders and broadcasters, enables us to continue providing a unique and specially curated mix of contemporary entertainment and top-flight sport, providing communities with a legitimate link – in terms of wellbeing, security and piracy – whilst they're away from home.

The relationship with our BFBS TV viewers is a particularly special and, often, two-way one, with regular feedback and requests received:

"Thank you for a great service as per normal. If possible, could we be able to watch the snooker on the BBC. Thanks in advance" DRC via e mail.

"I was enquiring if BFBS will be showing Wrestlemania 40 Night 1 and 2 this year, if not is it possible to request it? I have been working with the BFBS team currently in Estonia (really good people and helping us a lot). Any help would be greatly appreciated". NB, Op CABRIT.

"I am currently serving on RFA Argus at Sea and there are many of us on board who are excited to watch the Everton vs Liverpool Derby at 8pm" via e mail.

BFBS TV did, of course, deliver on all these requests and many others too including all of Prime Video's top-flight coverage in December, one of the headlines from our significant relationships with the Premier League, Amazon, Sky Sports and WBD Sports. Our relay of TNT Sports, alongside our work with DAZN and Matchroom Sport, provided boxing's Day of Reckoning and Fury v Usyk as more examples of our unrivalled and bespoke offer.

Whilst sport may be front and centre with the audience, the BFBS TV package combines live and on demand programming from BBC, ITV, Channel 4 and Channel 5 with additional well-known streaming titles from distributors including Lionsgate and Sony alongside premium series and blockbuster movies from Disney and Warner Bros, in tandem with their releases at home. The ability for audiences to watch soaps, dramas, films, reality, comedy and news, remains an important part of our fully rights and permissions cleared and legitimate service, curated with the blessing of all the programme creators and content owners who trust us to ensure their material is only seen by those who should.

The audiences for our original BFBS Forces News content increased further over the year, with a total of 1.7 million subscribers/followers across social media platforms and YouTube, up 13%.

Throughout the year, the war in Ukraine was a predominant story and, in a new initiative, our creation of content specifically for YouTube Shorts allowed us to successfully target a younger audience. For example, an interview with Vitali Klitschko by our reporter in Kiev got 2.7million views. Elsewhere, our content on Exercise Steadfast Defender, the largest NATO exercise since the Cold War attracted large audiences in the UK, US, Canada and Germany, with some videos reaching over 7 million views.

In September, General Sir Patrick Sanders, Chief of the General Staff, sat down for an exclusive interview which covered his views on Future Soldier, his career and his own mental health. Total views were over one million.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Our radio programme and podcast, Sitrep, focusses on intelligent and informed discussion on complex defence matters and has hosted an exceptionally wide range of high profile serving and former senior officers over the last year. These have included Gen Sir Jim Hockenhull, Lt Gen Tom Copinger-Symes, Gen David Petraeus, Lt Gen Andrew Harrison, Lt Gen James Swift, Lt Gen Sir Nick Pope, Col Al Carns, MP, James Heappey, Armed Forces Minister and Air Commodore Martin Lowe. We were delighted to see the work of our Sitrep team recognised by the wider broadcasting industry with two nominations at the prestigious Radio Academy ARIAS and one as publisher of the year at the British Podcast Awards.

The appetite and audiences for live streamed military sport continues to grow and we have redistributed resources internally to support that, increasing our dedicated team from 5 to 7 people. Our coverage of the Army v Navy rugby at Twickenham was a highlight, with 149,000 views, up 49% on last year. Elsewhere, for our Gurkha audiences, we took the opportunity to cover a tour by the Nepal national football team to the UK. This included two matches from Aldershot – Nepal v British Army and Nepal v England C, for which we secured rights to broadcast from the Football Association. The matches, which were both accompanied by a Nepali commentary, attracted an audience of 730,000.

BFBS Academy

The latest set of veterans and service leavers from our unique Production Managers course graduated in January 2024. In total, since 2018, we have supported 74 ex-service personnel through to graduation from the BFBS Academy, with 85% of these successfully moving on to new careers in the media industry. Opportunities picked up by our most recent group so far include several with roles in production companies, one as a Junior Creative Producer, and, one, Gambino Akuboy, who, rather unusually, ended up in the Britain's Got Talent semi-finals as a performer!

Last year, we were pleased to be able to strengthen our offering further through the launch of our photography course, aimed at both service leavers and serving personnel. Following this success, this has been established as a regular ongoing course, delivered by the Army's Chief Photographer and with people from all three services attending.

Our digital skills courses for spouses of serving military personnel have proved to be hugely valued with 929 having enrolled since they were launched in 2018. As we moved into 2024, we have taken the opportunity to expand the scope of the programme to a wider range of beneficiaries by including partners as well as spouses of serving personnel, veterans, reservists and the bereaved community. With this relaunch, we have also rebranded, with the programme's name changed from 'Social Media Spouses' to 'Social Media Specialists'- helpfully with no change to the abbreviated name, 'SMS'.

Elsewhere, the Academy's training for serving personnel and the wider UK government continues to thrive with regular comms and media courses being delivered. This year, personnel from UK Strategic Command, RAF Cranwell, the NATO Allied Rapid Reaction Corp ('ARRC'), Navy Command and the Army Sports Control Board were all among recipients of our training.

BFBS Creative

BFBS Creative continues to provide a wide range of media services in support of the Forces, in collaboration with teams across the MoD. This year we have worked with Armed Forces Personnel on campaigns to support mental fitness, womens' health and adult safeguarding. Our support of the RAF continues with initiatives on employer engagement, inclusion, recruitment and training, as does our work with the Army Recruiting and Initial Training Command. In addition, across all of the MoD, our work on the Cyber Confident campaign plays an important part in helping to mitigate cyber risk.

Our support of the UK government in championing Ukraine and countering Russian disinformation has continued and we have worked closely with both the MoD and with the Cabinet Office on national security communications. The first episode of our latest series of Ukraine related documentaries has performed well on the MOD's YouTube channel, with 200,000 views - <https://www.youtube.com/watch?v=LIMyPFVdMDA>. In addition, we have completed a project to film a series of 40 medical lectures, together with Ukrainian translations, for their armed

BFBS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

forces. More widely, we were pleased to support our NATO allies too with much of our work featuring prominently at the NATO Strategic Communications Dialogue Conference in Riga.

BFBS Cinemas

Our Cinelink service is operating in a total of 65 military communities globally, providing the latest cinema releases. Ideal for small audiences or remote locations, this small box, which has watertight content protection built in, allows us to easily deliver the best of morale boosting and newly released blockbuster films without the need for a full digital cinema, the purchase and maintenance of which is often financially unviable.

The BFBS Movie Machine (an 80 seater mobile cinema) continued to bring brand new cinema releases and a movie morale boost to the doorsteps of Forces communities in the UK, free of charge thanks to our partnership with Sky. We completed a number of tours this year, including for trainee Gurkha soldiers at Catterick Garrison with free screenings of Dune: Part Two on its opening weekend.

"Please accept my gratitude for a thoroughly successful weekend, the Gurkha's absolutely loved it."
Daren Dangerfield SO2 Personnel Support

Elsewhere, our network of traditional static cinemas in Cyprus, the Falkland Islands and the UK saw over 35,000 tickets issued in 23/24 – with audiences watching over 180 different cinema release films, including the box office hits Barbie, Wonka and Oppenheimer. We financially supported Nepali film screenings for growing Gurkha communities in the Falklands and Cyprus. This included the film 'Gurkha Warrior' with key support from the filmmakers and stars who wanted to ensure our military audiences were some of the first in the world to see their new creation.

We also participated in the Into Film Festival, an annual national celebration of film for 5 to 19 year olds which saw us welcoming almost 1,500 young cinemagoers into our auditoriums on military bases for free. This key activity supported schools and community groups and made sure our overseas based audiences felt just as valued and connected as those in the UK. Even younger audiences were also welcomed with screenings of 'Peppa's Cinema Party.' This film introduced our youngest audience members to the joy of the cinema experience and our special sensory screenings ensured they were even more inclusive and accessible.

BFBS Live Events

It's been another busy year for BFBS Live Events, with a significant increase in delivery to overseas operational troops alongside our UK based activity. There have also been more opportunities to meet up with RN ships on deployments this year. The team have staged 40 shows and events, 11 of which were overseas including in Italy, Cyprus, Estonia, Bahrain, Qatar, Oman and Norway. This has meant the small team are on the road more frequently, delivering morale boosting live entertainment to our core audience on operational duty world-wide.

"The BFBS show in Bahrain was a fantastic event to enable the ships' companies of Op KIPION to relax and decompress after an intense 4-week period at sea. The acts balanced entertainment and interaction perfectly to deliver a great show to an upbeat crowd on a warm night in Bahrain." Commander Alex Savage, Royal Navy.

"Between Alistair and Abi keeping us laughing to Conor's music getting everyone moving. The lighting and sound were spot on to set the scene for the performers to be enjoyed by everyone that attended. It was certainly a night that we won't forget soon." Major Michael Devereux, Royal Navy, Norway.

BFBS Live Events continue to support families in the UK where loved ones are deployed for long periods and also provide events for the all-important homecomings too.

"The feedback from those that attended has been excellent. Most importantly I think the night did successfully raise the morale of the troop having just come off a very busy period for them and about to embark on another. A big thank you to you and your team for all the hard work both in the planning and on the night. It has been very much appreciated." Kim Nicholls, Welfare Officer, Kings Troop Royal Horse

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Artillery.

There have also been repeat commissions from a variety of events, including the Celebrating Forces Families Awards, The RLC Sports awards and RAF Odiham Families' Day.

"I just wanted to say THANK YOU for all your support on the night, you all help so much to make the night the success that it was SO thank you." Sarah Walker, Celebrating Forces Families' Awards Co-Chair.

BFBS 'Big Salute' Campaign, the BFBS Welfare Fund and the BFBS Ice Cream Van

Our annual Big Salute Campaign raises funds for military charities through the combined efforts of BFBS staff and our audiences around the world. From flag days to quiz nights, golf tournaments to direct donations, the scheme is never short of creative ways to raise funds, every penny of which is given back to initiatives supporting the extended military community. This year the Big Salute distributed grants of £28,000 to a range of different projects including a Hounds for Heroes initiative supporting three dogs and beneficiaries for a year. Updates show that one of the dogs, Copper, is excelling in her role, while another Phoebe now operates as a full partner, offering crucial support to her handler.

Another grant enabled Care for Veterans to convert a twin-bedded room to single occupancy. This improved the lived experience of residents by providing improved privacy, dignity and a 'space of their own', The Big Salute also supported the Felix Fund, the bomb disposal charity.

"Felix Fund would like to thank the Big Salute for their support of our mindfulness training program tailored for the spouses or partners of EOD & Search personnel. These courses have proved vital in helping with the wellbeing of family members. The funds you've given made it possible for more individuals to benefit."
Melanie Moughton, Chief Executive, Felix Fund.

Total grants from the BFBS Welfare Fund were £390,000 which supported a wide range of activities and projects including:

- The 'Turn to Starboard' programme that uses sailing courses to support those affected by military operations
- Projector, screen and sound system for the Dhekelia Cyprus Families Club
- Large, trailer mounted, LED screen in Bahrain
- TV's for onboard messes on HMS Vanguard
- SHAPE & Brunssum childrens' summer camps
- FM radios for personnel deployed to Estonia
- Pool table for the Colerne, Corsham, Hullavington and Abbey Wood Youth Club
- Playstations for the Thiepval Barracks WRVS Centre
- Sensory room at The Haven Centre, Tidworth, to support autistic children or those with special needs
- UK Armed Forces Sport – supporting 24 different events – angling, athletics, badminton, basketball, canoeing, climbing, cricket, cycling, equestrian, football, golf, hockey, ice hockey, martial arts, netball, orienteering, paragliding, rowing, rugby league, sailing, squash, tennis, volleyball and winter sports.

The BFBS Ice Cream Van remains a hugely popular welfare focussed initiative, dropping into military communities 'behind the wire' dishing out a free soft serve vanilla flavoured morale boost. More than 30,000 ice creams were consumed this year across 90+ events, with more and more requests hitting the in-box every month. We even navigated the post Brexit legislation and managed to return to Europe, travelling through France to reach BRITFEST at SHAPE in June, serving nearly 1,000 ice creams in 6 hours on one of the hottest days of the year in Belgium.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Ethics and Sustainability

BFBS' activities are conducted on a strictly ethical basis, with due regard to the interests of other stakeholders and the wider community. This is fundamental to ensuring the longevity of the Charity and the support we provide to our beneficiaries.

This approach is consistent with that required under Section 172(1) of the Companies Act 2006 and ensures that due consideration is given to the:

- likely long term consequences of decision making;
- interests of our employees;
- need to foster strong relationships with customers, suppliers and other stakeholders;
- impact of our activities on the community and the environment; and
- importance of maintaining a reputation of high standards of business conduct.

In line with this approach BFBS has formally committed to becoming a carbon net zero organisation by 2050 or sooner. Our Carbon Reduction Plan is published on our website and further details are provided later on in this report.

<https://www.bfbs.com/sites/bfbs.com/files/2023-10/BFBS%20Carbon%20Reduction%20Plan%202022%2023%20signed.pdf>

Employees

We apply an approach of comprehensive communication and engagement with our employees to ensure that they are aware of all issues that affect them, including the operational and financial performance of the Charity. This is done through a range of mechanisms, including fortnightly newsletters, staff surveys, departmental meetings, 'meet the CEO' sessions and all Staff 'Town Hall' meetings.

Engagement with staff is helped further through our 5 employee groups, the Veterans, Belonging (diversity), Wellbeing, Women, and Green networks. These networks play an important role in strengthening the support available to employees and in ensuring that communication flows effectively throughout the organisation. In addition, our ability to directly support our employees is enhanced by the inclusion of a fulltime Wellbeing and Community Coordinator within our HR team.

Customers, Suppliers and Other Stakeholders

Our approach in working with our customers, suppliers and other stakeholders is an open, collaborative and respectful one. As a Charity whose entire focus is on delivering the best possible set of services for the Forces community, our aims are consistent with those of our principal customer, the MoD. As a not for profit organisation, our ability to offer maximum value for money (a key criteria in government procurement) is an important element in strengthening our relationships with our customers.

In working with suppliers we seek to build stable, long term, relationships to provide us with the best possible set of technology and content solutions to support the Forces community. Regular communication, the negotiation of effective and fair subcontracts and ethical commercial dealings, including prompt payment, all play a part in building trust and beneficial relationships with suppliers.

BFBS

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Financial review

Total 2023/24 income of £31,985,000 was closely aligned with total resources expended of £32,239,000. The favourable movement in the value of our investment portfolio was £1,248,000, which reversed the adverse movement of £1,226,000 reported in 2022/23.

Cash balances at 31 March 2024 totalled £2,712,000 compared to £1,515,000 at 31 March 2023, helped by the progress made in invoicing and collecting payments more promptly. The improvement in the cash position helped fund capital expenditure investment of £1,236,000, with more expected in the coming year as part of our technology refresh programme. The overall financial position of the charity remains a strong one, with total reserves of £35,645,000, of which £31,433,000 is held in our investment portfolio.

Streamlined Energy & Carbon Reporting (SECR)

BFBS formally committed to becoming a net zero carbon emissions organisation by 2050 or sooner in 2021/22 and since then we have assessed, monitored and reported on our greenhouse gas emissions in line with the Streamlined Energy and Carbon Reporting regulations (SECR).

Data has been collected from invoicing and other reporting provided by our suppliers and also from information directly extracted from our financial accounting system. The conversion factors applied to this data to assess the emissions were taken from "Greenhouse gas reporting: conversion factors 2022" published by the Department for Business, Energy & Industrial Strategy.

The measurements used for this report are divided into three separate sections:

- Scope 1 covers the emissions that we generate directly, including emissions from gas and electricity heating, plus any emissions from company owned vehicles;
- Scope 2 refers to emissions that we generate indirectly and is mainly purchased electricity; and
- Scope 3 covers emissions associated with our operations and includes activities such as business travel, staff commuting and downstream transportation and distribution for our commercial operations.

BFBS

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

The data for 2023/24 is shown in the table below, together with prior year comparatives.

Table 1 BFBS SECR Return Financial Year 2023 / 2024

Source	2022 / 2023		2023 / 2024	
	Consumption kWh	Emissions kgCO ₂ e	Consumption kWh	Emissions kgCO ₂ e
Scope 1				
Purchased Gas	83,472	15,025	70,119	14,321
Refrigerants (All Sources)	-	15,767	-	-
Owned Vehicles	57,350	80,411	242,580	62,964
Scope 1 Total	140,822	111,203	312,699	77,285
Scope 2				
Purchased Electricity	22,818	117,997	605,193	125,320
Scope 2 Total	22,818	117,997	605,193	125,320
Scope 3				
Vehicle Travel	7,104	36,738	157,153	38,197
Air Travel	-	380,498	0	487,787
Rail Travel	-	3,005	0	6,386
Other Travel (Inc Taxi, Bus)	-	290	0	389
Employee Commuting	71,782	100,647	305,142	103,820
Upstream and Downstream Transportation	-	2,345	0	1,836
Waste	-	321	0	758
Scope 3 Total	78,886	523,844	462,295	639,173
Emissions Total	242,526	753,044	1,380,187	841,778
Carbon Intensity (Headcount)		2,931		3,189

We saw encouraging decreases in Scope 1 emissions in 2023/24, with a switch to a largely hybrid vehicle car fleet in Cyprus being the main contributor, together with zero refrigerant emissions due to no regassing of air conditioning units during the year.

Business needs did though drive a marked upward spike in air travel with the decision of the MoD to extend our contract by 3 years from April 2023. Until then the footprint for BFBS staff overseas had been largely frozen, with a pent up backlog of moves following, after the decision was taken. Staff turnover with some overseas based staff leaving played a part too, as did the change in the footprint of the Forces with new locations and an uplift in the numbers deployed to Eastern Europe. This change has been mirrored by a significant increase in flights to that region for our broadcast engineering team to ensure the comprehensive delivery of BFBS services to personnel based there.

BFBS

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Elsewhere, we have seen an increase in the numbers returning to the office, after the pandemic. The impact of this has though been partially mitigated by our flexible working policy, which allows for home working, where appropriate. Our introduction of an Electric Vehicle scheme for staff is also having a positive impact on emissions from employee commuting and this will become increasingly significant in the coming years.

Plans for future periods

The Charity plans to continue to provide the full range of services to its beneficiaries, as currently contracted for with the MoD. In addition, we will continue to seek other sources of funding to support the development and delivery of new services for the Forces community, consistent with the aims of the Charity.

Key performance indicators

The financial performance of the Charity is closely monitored on a monthly basis by the Director of Finance with both revenues and costs being compared against the BFBS Board approved budget for the year. The monthly management accounts are presented at each Board meeting together with a commentary on activity, revenue and expense variances.

Key performance indicators ('KPIs') covering the delivery, performance and quality of the services provided under contracts to the MoD have been defined and are monitored and reviewed jointly with the MoD on a quarterly basis. With the opinions of our viewers, listeners and customers of paramount importance to the Charity, audience research surveys are the most significant of the KPIs. In that context, we are pleased to report that audience satisfaction ratings have been consistently over 95% throughout the year to 31 March 2024, far in excess of the minimum contractual level required of the Charity by the MoD.

BFBS is a quality broadcaster and committed to maintaining its high standards of service to its viewers and listeners. Quality Assurance programmes have been developed within the radio and television divisions and BFBS has ISO 9001 accreditation.

Investment policy and performance

Under the Memorandum and Articles of Association, the Charity has the power to make any investment that the Trustees see fit. The objective of the Investment Policy is to protect the capital value of the investment assets whilst generating an acceptable level of return from income and capital appreciation. BFBS will not invest directly in derivatives, or in unquoted securities, physical assets or property and will not engage in stock lending or underwriting. The Charity has an ethical investment policy to ensure that Environmental, Social and Governance considerations are taken into account by fund managers in devising their investment strategies.

During the year, we took the opportunity to review and restructure our portfolio. In doing so, a long-run total return target of CPI + 4.0% p.a. was set and proposals were sought from a number of investment managers and presented to the Investment Committee. At the conclusion of this process, the Committee's recommendation to the Board was to restructure the portfolio, splitting it between four investment managers – M & G, Investec, CCLA and Waverton. Multi Asset funds from each of these providers were selected which leaves discretion on the exact asset allocation to achieve the CPI + 4.0% p.a. target to the managers. The Board agreed the restructuring proposal and it was implemented in March 2024. The Investment Committee has continued to regularly review the performance of the portfolio against relevant benchmarks and meets with the investment managers to review this in detail when appropriate.

The investment portfolio stood at £31,433,000 as at 31 March 2024, up £1,248,000 (4.1%) compared to 31 March 2023. This performance was closely in line with that of the FTSE 100 and FTSE All Share indices.

BFBS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Principal risks and uncertainties

The Board reviews, on an ongoing basis, the major operational, business and financial risks that the Charity faces. The audit committee also meets with the external auditors on a regular basis.

Senior management monitor all operational, business and financial risks that the Charity faces, and confirms that systems are in place to mitigate the significant risks.

The principal risks and uncertainties are as detailed below.

MoD Broadcasting Contract

A substantial proportion of the Charity's revenue comes from the MoD Broadcasting Contract, which ends on 31 March 2026.

The securing of a new MoD contract beyond March 2026 will be critical in enabling BFBS to continue to provide TV and Radio services globally to the Forces community and so to comprehensively fulfil its charitable aims.

To help support the case for contract renewal the focus of our Trustees is on providing as strong as possible a range of services to the global Forces community. In addition, our senior managers work closely with the MoD, at all levels, to ensure that the value of the services we deliver are effectively communicated and that the priorities and requirements of our Forces audiences are clearly understood.

Inflation

High levels of inflation through 2022/23, 2023/24 and, potentially, beyond that too, will have an adverse impact on costs and could, ultimately, compromise the ability of BFBS to deliver on its full range of charitable activities.

By way of mitigation, Trustees review opportunities for cost savings and efficiencies, while also seeking opportunities to increase income from all available sources.

Cyber Security Risk

In common with many organisations, BFBS is vulnerable to cyber attack which, in the worst case, could compromise our ability to deliver services and / or risk the loss of confidential information.

To address this risk our Trustees embarked on a two year programme to review and strengthen our cyber security covering all aspects – processes, technology, staff awareness and training. This culminated in an external audit in April 2021, following which BFBS was awarded ISO27001 accreditation – the international information security standard.

Since then, best practice in respect of information security has been firmly embedded throughout the organisation and is regularly reviewed, refreshed and audited to manage and mitigate cyber security risk. BFBS' comprehensive approach on this important issue was recently confirmed by another full audit in May 2024, following which our ISO27001 certification was reawarded. In doing so, the auditor's report stated that they had no concerns to highlight on either major or minor points.

Technology Investment

There is a risk that, without sufficient investment in technology in respect of both equipment and expertise, the Charity could be unable to deliver all the services required by the MoD for the current contract or for a future one.

To mitigate this risk the Board has implemented a programme of technology refreshes in up to date transmission systems, studios, delivery platforms and other equipment. In addition, recruitment, retention and training programmes have been put in place to ensure the Charity has in-house technical personnel with the appropriate

BFBS

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

skills and expertise.

Reserves policy

At 31 March 2024, the Charity held 'unrestricted funds – other charitable funds' totalling £35,645,000 (2023: £34,651,000). The Charity's policy is to maintain reserves at a level sufficient to ensure that there is no major disruption to our services for beneficiaries in the event of unforeseen increases in expenditure or reductions in income, whilst at the same time allowing investment in new projects designed to ensure the long term financial sustainability of the Charity. In the event of the loss of the MoD Broadcasting Contract, the maintenance of an adequate level of reserves would be particularly important in providing a continuing flow of investment income to fund charitable activities.

The Charity's operations are underpinned by its long term contract with the MoD. The nature of this contract enables the Charity to forecast future revenues with reasonable certainty and costs continue to be controlled so as to ensure that total income from charitable activities approximately matches total outgoings. Consequently, the Trustees believe that the Charity is well placed to manage its operational risks successfully, despite the current uncertain economic outlook.

The Trustees therefore have a reasonable expectation that the Charity has adequate resources to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial risk management objectives and policies

The Charity uses various financial instruments including cash, equity investments, and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the Charity's operations.

The existence of these financial instruments exposes the Charity to a number of financial risks, which are described in more detail below.

The main risks arising from the Charity's financial instruments are market risk, liquidity risk, interest rate risk, cash flow and credit risk. The Trustees review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Market risk

Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. The Charity's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled "interest rate risk" below.

Liquidity risk

The Charity seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

A managed risk is the timing and advance funding of expenditure to provide charitable services, and the subsequent receipts from the MoD. An overdraft facility has been put in place so that, in the event of significant expenditures, these can be funded before the receipts from the MoD are obtained.

Currency risk

Forward exchange contracts for US dollars and Euros are used to manage currency fluctuations on purchases in foreign currency by entering into a forward exchange contract to match the future foreign currency commitment when due.

BFBS

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Interest rate risk

The Charity has an overdraft facility in place which is subject to variable interest rates. Rates are monitored closely and, if necessary, alternative sources of funding through the sale of investments are considered.

Cash flow and credit risk

The Charity's trade debtors principally represent amounts due from the MoD. In order to manage credit risk and to ensure prompt payment we have built up a strong relationship with the MoD and maintain regular contact with them throughout the period between the issue of invoices and the receipt of payments, resolving any issues or queries that may arise in the meantime.

Structure, governance and management**Charity Status**

The Charity is a company limited by guarantee (company number 00407270) and is registered as a charity (Charity number 00233480). Members of the organisation guarantee to contribute an amount not exceeding £1 each to the assets of the organisation in the event of a winding up. The total number of such guarantees at 31 March 2024 was 11 (2023: 11).

Our Aims and Objectives

Our Charity's aims, as described in the Memorandum and Articles of Association, are to promote the efficiency of HM Armed Forces through the provision of services related to entertainment, information, education, welfare and training. These aims were developed further in the update of the Memorandum and Articles of Association as at September 2017, adding to advance the education of the Armed Forces Community for the benefit of the public, where the 'Armed Forces Community' comprises current service personnel, reservists, cadets, veterans, service leavers and civilians who work in direct support of the UK military.

Ensuring our work delivers our aims

Our activities are subject to continual review throughout the year by both the Board of Trustees and the Executive Team. This review process helps us to ensure that all our activities remain focused on our stated aims and objectives.

In this context the Board of Trustees can confirm that they have complied with their duty under section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in planning and implementing all the activities of the Charity.

Organisation

A Board of Trustees, which meets five times a year, administers the Charity. There are sub committees covering investment, audit, remuneration, Board and Senior Management nominations and the distribution of charitable funds:

- investment committee meets regularly during the year. At each Board meeting, it reports to the Board on the performance of investments;
- audit committee meets during the audit process each year, and on further occasions as required;
- remuneration committee meets to determine senior staff remuneration at least once a year;
- nominations committee meets no less than once a year to recommend any alterations to the Board that are deemed necessary and to appoint Senior Management; and
- welfare fund committee meets as and when required to deal with requests received and reports to the Board at each Board meeting.

BFBS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

A Chief Executive is appointed by the Board to manage the day to day operations of the Charity.

All of us at BFBS were saddened to hear the news of the passing of Captain Graham Robinson RN on 23 March 2024. Graham had been a Trustee since 1998 and was always highly engaged and committed to BFBS and the support we provide for our Forces beneficiaries. His enduring legacy to BFBS is particularly reflected in the close and supportive relationship between our organisation and Forces sport, of which he was a life long champion. In addition, it was Graham's endeavours during his tenure as Chair of the Investment Committee that played an important part in putting the Charity in the strong financial position that we have today.

Directors

All members of the Board are Directors for the purposes of company law and Trustees for the purposes of Charity law. All Trustees served throughout the year, except as noted below.

The Trustees are elected by the existing Board, which may, at any time, co-opt any person duly qualified to be appointed, as a member of the Board to fill a vacancy in their number. All proposed appointments are subject to approval by the Board. The Board shall include individuals who have held commissioned rank in the Forces and civilians with relevant business experience. The total members of the Board must number between 3 and 13.

Excluding the Chair, from time to time, each Trustee shall retire from office at the third annual general meeting following the commencement of his or her term of office. Retiring Trustees may be reappointed.

The membership of the Board is set out below:

Major General Christopher Wilson – chairman of the Charity, the nomination, remuneration and welfare fund committees and member of the investment and audit committees
Howard Perlin – vice chairman of the Charity, chairman of the audit committee, and member of the remuneration, investment and nomination committees
Tony Hales – chairman of the investment committee and member of the audit, nomination and remuneration committees
Deborah Loudon – member of the nomination and remuneration committees
Rear Admiral Anthony Rix RN – member of the welfare fund committee
Helen Depree – member of the audit committee
Vanella Jackson – member of the investment committee
Darren Long
David Moody
Niall MacGinnis
Air Commodore Richard Fogden – appointed 18 March 2024
Captain Graham Robinson RN – resigned 22 January 2024

Trustee training and induction

All new Trustees undertake an induction programme on joining the Board. The aim of this programme is to introduce new Trustees to the Charity's objectives, operations and governance arrangements. The induction programme includes a pre-appointment pack, meetings with senior management, a visit to the principal facility, presentations on key financial and operational areas and relevant documentation. Trustees are regularly updated on changes to charity and company law as well as changes to other legislation which have an impact on the Charity. Trustees are expected to remain updated with charity best practice.

Grants

A sub committee exists to review applications for grants from the Forces. The review process includes ensuring that the provision of each grant is within the terms of the charitable objectives of the Charity.

The Charity continues to actively promote its welfare fund to the Forces by regular communication to the Directorate of Defence Communications (DDC) and their single service equivalents, direct communication with

BFBS

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

the Forces via the Charity's website and promotional features on BFBS radio and the main BFBS television channel.

Grants are awarded to units of the Forces in respect of worthy causes associated with education, training, welfare and entertainment needs. The welfare fund committee meets as and when required to deal with applications received and reports to the Board at each Board meeting. The Chief Executive and Director of Finance are authorised to approve individual grants with a value of less than £10,000, whilst the welfare fund committee is authorised to approve grants with a value of less than £50,000. Individual grants in excess of this value are approved by the Board. Grants are approved if the purpose is a worthy cause and is within the terms of the objectives of the Charity. During the financial year, 29 applications for grants were received, all of which were either partially or fully awarded. The average value of grants made during the year was £13,448.

Principal funding sources

The principal source of funding is the MoD for the services delivered under contract to them.

Disabled workers

It is the Charity's policy to follow the Government's guidelines on the employment of disabled workers as far as it is possible.

Statement of Trustees' responsibilities

The Trustees (who are also Directors of BFBS for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BFBS

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

The Trustees confirm that:

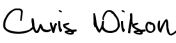
- so far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Auditor

Blick Rothenberg Audit LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Charity receives notice under section 488(1) of the Companies Act 2006.

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

Signed by:

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Major General Christopher Wilson
(Chair of Trustees)

Date: 10-Dec-24 | 14:04 GMT

BFBS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS

Opinion

We have audited the financial statements of BFBS (the 'Parent Charitable Company') and its subsidiary (the 'Group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the Charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2024 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

BFBS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report including the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- the Parent Charitable Company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

BFBS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group through discussions with Directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group, including the Companies Act 2006, Charities SORP (FRS 102), Charities Act 2011, Charity Code of Governance and The Ofcom Broadcasting Code;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims;

BFBS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS (CONTINUED)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

Blick Rothenberg Audit LLP

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Mahmood Ramji (senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

16 Great Queen Street

Covent Garden

London

WC2B 5AH

Date: 10-Dec-24 | 16:26 GMT

BFBS

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Income from:				
Charitable activities	4	29,844	29,844	27,188
Other trading activities	5	1,010	1,010	1,025
Investments	6	1,131	1,131	1,102
Total income		31,985	31,985	29,315
Expenditure on:				
Trading expenses		374	374	268
Charitable activities:	7			
Investment management costs		151	151	151
Costs in respect of charitable activities		31,491	31,491	30,349
Governance costs		223	223	227
Total resources expended		32,239	32,239	30,995
Net expenditure before fair value movements		(254)	(254)	(1,680)
Fair value movements on investments		1,248	1,248	(1,226)
Net movement in funds		994	994	(2,906)
Reconciliation of funds:				
Total funds brought forward		34,651	34,651	37,557
Net movement in funds		994	994	(2,906)
Total funds carried forward		35,645	35,645	34,651

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

All funds are unrestricted.

The notes on pages 27 - 44 form part of these financial statements.

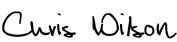
BFBS
REGISTERED NUMBER: 00407270

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £000	2023 £000
Fixed assets			
Tangible assets	10	3,605	3,895
Investments	11	31,433	30,185
		35,038	34,080
Current assets			
Debtors	12	2,112	2,306
Investments - bank deposits		2,345	69
Cash at bank and in hand		367	1,446
		4,824	3,821
Creditors: amounts falling due within one year	14	(4,217)	(3,250)
Net current assets		607	571
Total assets less current liabilities		35,645	34,651
Total net assets		35,645	34,651
Charity funds			
Restricted funds	16	-	-
Unrestricted funds	16	35,645	34,651
Total funds		35,645	34,651

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

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

Signed by:

 DA31FA75304B4A2...

Major General Christopher Wilson
(Chair of Trustees)

Date: 10-Dec-24 | 14:04 GMT

The notes on pages 27 - 44 form part of these financial statements.

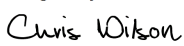
BFBS
REGISTERED NUMBER: 00407270

CHARITY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Note	2024 £000	2023 £000
Fixed assets			
Tangible assets	10	3,605	3,895
Investments	11	31,433	30,185
		35,038	34,080
Current assets			
Debtors	12	1,736	2,244
Investments - bank deposits		2,345	69
Cash at bank and in hand		267	1,403
		4,348	3,716
Creditors: amounts falling due within one year	14	(3,741)	(3,145)
Net current assets		607	571
Total assets less current liabilities		35,645	34,651
Total net assets		35,645	34,651
Charity funds			
Restricted funds	16	-	-
Unrestricted funds	16	35,645	34,651
Total funds		35,645	34,651

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

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

Signed by:

 DA31FA75304B4A2...

Major General Christopher Wilson
(Chair of Trustees)

Date: 10-Dec-24 | 14:04 GMT

The notes on pages 27 - 44 form part of these financial statements.

BFBS

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024**

	2024	2023
	£000	£000
Cash flows from operating activities		
Net expenditure before fair value movements	(254)	(1,680)
Adjustments for:		
Depreciation of tangible assets	1,262	1,362
Profit on disposal of tangible assets	(21)	(10)
Dividends received	(1,131)	(1,102)
Decrease/(increase) in debtors	194	2,726
Decrease in creditors	967	(628)
Net cash provided by/(used in) operating activities	1,271	2,348
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,236)	(1,087)
Sale of tangible fixed assets	285	222
Dividends received	1,131	1,102
Cash flows from investing activities	180	237
Change in cash and cash equivalents in the year	1,197	905
Cash and cash equivalents at the beginning of the year	1,515	610
Cash and cash equivalents at the end of the year	2,712	1,515

The notes on pages 27 - 44 form part of these financial statements

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1. General information

BFBS is a Charitable Company limited by guarantee and incorporated in England and Wales. The address of its registered office and principal place of business is Chalfont Grove, Narcot Lane, Gerrards Cross, Buckinghamshire, SL9 8TN.

The financial statements are presented in Sterling (£), which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £'000.

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 Companies Act 2006.

BFBS 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 consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

2.2 Going concern

After reviewing the Charity's and Group's forecasts and their accompanying risks, the Trustees have a reasonable expectation that the Charity and Group have adequate resources to continue in operational existence for at least twelve months from when the financial statements are authorised for issue and as a result they continue to adopt the going concern basis in preparing the Annual Reports and Accounts.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)**2.3 Income****Income recognition**

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.

Activities in furtherance of the Charity's objects represent the total amount receivable by the Charity and the Group, excluding VAT, in the ordinary course of business for goods supplied and for services provided in broadcasting, live entertainment and related services.

Investment income

Investment income comprises interest receivable on short-term deposits and all investment income from fixed asset investments including reinvested income.

Voluntary income

Voluntary income is accounted for when the Charity has entitlement to the funds, the amount can be reliability quantified and there is reasonable certainty of its ultimate receipt.

Trading income

Trading income is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Trading income is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before trading income is recognised:

Sale of goods

Trading income from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of income can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Trading income from a contract to provide services is recognised in the period in which the services are provided and when all of the following conditions are satisfied:

- the amount of income can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

BFBS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.4 Expenditure

Resources expended

Liabilities are recognised as resources expended as soon as the Group has a legal or constructive obligation committing the Group to the expenditure. Resources expended are included in the Statement of Financial Activities ("SOFA") on the accruals basis, inclusive of any VAT which cannot be recovered. Resources expended under the charitable activities include all costs incurred by the Group in the delivery of goods and services directed at the achievement of its charitable objectives. These are disclosed in further detail in note 7 to the financial statements.

Grants made

Grants are expensed to the SOFA on the accruals basis and when specifically authorised.

Investment management costs

Resources expended under investment management costs are recognised on the accruals basis.

Governance costs

Resources incurred under governance costs include all specific costs of governance arrangements relating to the Charity and are recognised on the accruals basis.

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

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more 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 are 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.

Depreciation is provided on the following bases:

Leasehold premises	- Length of the lease
Short-term leasehold property	- Length of the lease
Office equipment	- Between 3 and 5 years
Other fixed assets	- Between 3 and 5 years

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)**2.6 Investments**

Investments are included at market values provided by the fund managers at the balance sheet date. All gains and losses, whether realised or unrealised, are included in the SOFA.

The Charity also holds short term deposits for the purpose of liquidating into cash if the need arises, and these are included at market value. Such short term deposits are considered liquid resources by the Charity.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts. Accrued income represents income receivable in respect of services provided.

2.8 Cash and liquid assets

Cash at bank and cash holdings within the investment portfolio includes cash and short-term highly liquid investments with an original maturity date of three months or less. The Trustees consider both cash held within its own bank accounts and balances held by our Investment Managers when considering the liquidity of the Group.

2.9 Liabilities and provisions

Liabilities are recognised when there is a legal and constructive obligation committing the Group to the expenditure. Creditors and provisions are normally recognised at their settlement amount after allowing for trade discounts due.

2.10 Financial instruments

The Charity and Group recognise financial instruments when they become a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Charity's and Group's accounting policies in respect of financial instruments transactions are explained below:

Financial assets**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate account with the loss being recognised within administrative expenses in the SOFA. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)**2.10 Financial instruments (continued)****Fair value through profit and loss**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial liabilities

The Group classifies all of its financial liabilities as liabilities at amortised cost.

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.

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 Group and which have not been designated for other purposes.

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

2.13 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any provision for losses arising on impairment.

2.14 Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities in foreign currencies are translated at the rates ruling at the date of acquisition, or average rate if not materially different. Exchange differences are dealt with in the SOFA. Exchange gains and losses are allocated to the appropriate income or expenditure category.

2.15 Operating lease commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)**2.16 Defined contribution pension scheme**

The Charity recognises the contribution payable for a period;

- as a liability, after deducting any amount already paid.
- as an expense, unless another section of the FRS requires the cost to be recognised as part of the cost of an asset such as inventories or property, plant and equipment.

The pension costs charged against profits are the contributions payable to the scheme in respect of the accounting period.

2.17 Taxation

As a registered Charity, income and capital gains of the Charity are generally exempt from tax if applied for charitable purposes.

2.18 Forward currency contracts

Foreign currency forward contracts are used to manage currency fluctuations on purchases in foreign currency by entering into a foreign currency forward contract to match the future foreign currency commitment when due.

Fair value movements in the valuation of outstanding contracts are recognised in the SOFA. Outstanding foreign currency forward contracts at the reporting date are included within debtors or creditors on the balance sheet depending on the year-end position.

2.19 Financial liabilities and equity instruments

Financial instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of the financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the income and expenditure account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

BFBS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

3. Significant judgements and estimates

Preparation of the financial statements requires the Trustees to make significant judgements, estimates and assumptions about the carrying values of assets and liabilities not readily apparent from other sources. The key judgements and sources of estimation that have a significant effect on the amounts recognised in the financial statements include:

Critical accounting estimates and assumptions:

The Charity receives monthly fees for the provision of broadcasting services. Revenue receipts and deferred income are accounted for in accordance with FRS 102 with, for example, any receipts for work not yet performed being treated as deferred revenue as estimated by management.

Useful economic lives of operational fixed assets

As explained further within the tangible fixed assets policy - buildings, plant, machinery and vehicles held by the Charity are depreciated from acquisition based on their useful economic life, so as to write-off the cost of the asset less any residual value (if any). Judgement is required to assess the length of the life, and this is evaluated based on past experience, asset classification and condition reviews. Depreciation rates for classes of assets are reviewed annually, to ensure they remain appropriate with reference to external and internal factors, including the level of proceeds (and resulting profit/losses) recognised on disposal of such items.

Valuation of foreign currency forward contracts

Foreign currency forward contracts are fair valued using observable forward exchange rates corresponding to the maturity of the contract, as judged by management depending on materiality of the transactions.

4. Income from charitable activities

The income for the year was attributable to the Charity's objects as described in it's Memorandum of Association. Incoming resources receivable from charitable trading activities during the year were as follows:

	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Incoming resources from charitable activities	29,844	29,844	27,188

BFBS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

4. Income from charitable activities (continued)

The majority of the income resulted from activities delivered overseas.

During the year, the Charity provided services under contracts with the Ministry of Defence for the provision of television, radio, training and cinema services. These activities accounted for approximately 92% (2023: 90%) of the total income for the year. Services and supplies provided to the Forces on operations or stationed in the UK or overseas, but not under contract to the Ministry of Defence, include the operation and management of 11 cinema services (2023: 11) located in Cyprus, The Falkland Islands and the United Kingdom.

On occasions, the Charity benefits from the provision of content as additional support from third parties. Although it is not possible to reliably measure the value of this support, it is much appreciated and helps BFBS provide the strongest possible range of services to the Forces.

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Trading income	1,010	1,010	1,025

Trading income relates to income generated by the subsidiary, BFBS Media Limited, from which all profits are donated to BFBS.

6. Investment income

	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Dividends and interest receivable from fixed asset investments	1,131	1,131	1,102

BFBS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

7. Resources expended

	Grants 2024 £000	Direct costs 2024 £000	Support costs 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Costs paid to external parties in respect of charitable activities	-	26,852	4,997	31,849	30,674
External grants made in respect of specific requests	390	-	-	390	321
	390	26,852	4,997	32,239	30,995

	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Staff costs	2,308	2,308	2,291
Depreciation	191	191	182
Other support costs	2,498	2,498	2,313
	4,997	4,997	4,786

Resources expended in Governance costs

Governance costs total £223,000 (2023: £227,000) and include £181,000 (2023: £185,000) in respect of a proportion of senior management remuneration.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

7. Resources expended (continued)

	2024 £000	2023 £000
Auditor's remuneration:	-	-
- Fees payable for the audit of the Charity's and Group annual accounts	41	39
- Fees payable for taxation compliance services	2	2
- Fees payable for other services	4	4
Depreciation of owned fixed assets (excluding buildings)	1,096	1,201
Depreciation of buildings	166	161
Hire of plant and machinery	44	65
Foreign exchange (gain)/loss	122	(217)
Profit on disposal of tangible fixed assets	(21)	(10)
Employee costs	14,687	14,044

8. Staff costs

	Group 2024 £000	Group 2023 £000	Charity 2024 £000	Charity 2023 £000
Wages and salaries	12,587	12,023	12,587	12,023
Social security costs	1,274	1,261	1,274	1,261
Contribution to defined contribution pension schemes	826	760	826	760
	14,687	14,044	14,687	14,044

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

8. Staff costs (continued)

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

	Group 2024 No.	Group 2023 No.
Activities in furtherance of the Charity's objects	256	249
Management and administration	8	8
	264	257

The remuneration of the Senior Leadership Team is set by the Remuneration Committee of the Board of Trustees, which consists of non-executive Trustees.

No Trustee or persons with a family or business connection with a Trustee, received remuneration or benefits in the year, directly or indirectly from the Group. An amount of £1,154 for expenses (2023: £1,479) was reimbursed to 2 Trustees (2023: 4). The nature of the expenses was travel and subsistence.

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

	Group 2024 No.	Group 2023 No.
£60,001 - £70,000	17	17
£70,001 - £80,000	10	9
£80,001 - £90,000	2	2
£90,001 - £100,000	4	2
£100,001 - £110,000	2	1
£110,001 - £120,000	2	1
£120,001 - £130,000	1	1
£130,001 - £140,000	1	1
£140,001 - £150,000	1	1
£160,000 - £170,000	-	1

Contributions totalling £235,105 (2023: £189,876) were paid in respect of 40 (2023: 36) higher paid employees in the year relating to the defined contribution scheme.

The Trustees consider key management personnel to comprise the members of the Senior Leadership Team. The total employment benefits, including employer pension contributions, of the Senior Leadership Team were £1,182,334 (2023: £1,207,495).

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

9. Grant payments

	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Big Salute	15	15	14
Live Entertainment	126	126	84
Combined Sport	110	110	100
Other grants made to the Forces	139	139	123
	<u>390</u>	<u>390</u>	<u>321</u>

10. Tangible fixed assets**Group and Charity**

	Long-term leasehold property £000	Short-term leasehold property £000	Equipment £000	Assets under the course of construction £000	Total £000
Cost					
At 1 April 2023	1,926	6	16,158	620	18,710
Additions	-	-	154	1,082	1,236
Disposals	-	-	(75)	(264)	(339)
Transfers between classes	52	-	293	(345)	-
At 31 March 2024	<u>1,978</u>	<u>6</u>	<u>16,530</u>	<u>1,093</u>	<u>19,607</u>
Depreciation					
At 1 April 2023	897	6	13,912	-	14,815
Charge for the year	166	-	1,096	-	1,262
On disposals	-	-	(75)	-	(75)
At 31 March 2024	<u>1,063</u>	<u>6</u>	<u>14,933</u>	<u>-</u>	<u>16,002</u>
Net book value					
At 31 March 2024	<u>915</u>	<u>-</u>	<u>1,597</u>	<u>1,093</u>	<u>3,605</u>
At 31 March 2023	<u>1,029</u>	<u>-</u>	<u>2,246</u>	<u>620</u>	<u>3,895</u>

BFBS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

11. Fixed asset investments

Group and Charity	Investments £000
Valuation	
At 1 April 2023	30,185
Additions	30,826
Disposals	(30,826)
Revaluations	1,248
At 31 March 2024	31,433
Net book value	
At 31 March 2024	31,433
At 31 March 2023	30,185

Principal subsidiary

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
BFBS Media Limited	03665251	Chalfont Grove, Narcot Lane Chalfont St Peter, Gerrards Cross, Buckinghamshire, SL9 8TN	Provision of media services
Holding	Included in consolidation		
100%	Yes		

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

11. Fixed asset investments

	2024 £000	2023 £000
Equities	24,692	29,739
Fixed interest and cash	4,638	446
Other	2,103	-
	31,433	30,185

12. Debtors

	Group 2024 £000	Group 2023 £000	Charity 2024 £000	Charity 2023 £000
Due within one year				
Trade debtors	801	973	413	661
Amounts owed by Group undertakings	-	-	62	308
Other debtors	6	8	6	8
Prepayments and accrued income	1,305	1,325	1,255	1,267
	2,112	2,306	1,736	2,244

13. Cash at bank and in hand

	Group 2024 £000	Group 2023 £000	Charity 2024 £000	Charity 2023 £000
Bank and cash balances	367	1,446	267	1,403
Investments - bank deposits	2,345	69	2,345	69
	2,712	1,515	2,612	1,472

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

14. Creditors: amounts falling due within one year

	Group 2024 £000	Group 2023 £000	Charity 2024 £000	Charity 2023 £000
Trade creditors	1,369	1,006	1,369	1,006
Other taxation and social security	999	887	987	857
Other creditors	159	124	158	126
Accruals and deferred income	1,660	1,233	1,197	1,156
Fair value of foreign currency contracts	30	-	30	-
	4,217	3,250	3,741	3,145

Deferred incoming resources are recognised when the applicable service has been provided. The movement in deferred income is analysed below:

	Group 2024 £000	Group 2023 £000	Charity 2024 £000	Charity 2023 £000
Deferred income at start of the year	360	556	336	455
Amounts recognised in the current year	(360)	(556)	(336)	(455)
Amounts deferred in the current year	718	360	262	336
Deferred income at the end of the year	718	360	262	336

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

15. Financial instruments

	Group 2024 £000	Group 2023 £000	Charity 2024 £000	Charity 2023 £000
Financial assets				
Financial assets measured at fair value through income and expenditure	34,145	31,700	2,612	31,657
Financial assets that are debt instruments measured at amortised cost	906	1,109	-	1,047
	35,051	32,809	2,612	32,704
	Group 2024 £000	Group 2023 £000	Charity 2024 £000	Charity 2023 £000
Financial liabilities				
Derivative financial instruments measured at fair value through income and expenditure	(30)	-	(30)	-
Financial liabilities that are debt instruments measured at amortised cost	(2,470)	(2,363)	(2,462)	(1,951)
	(2,500)	(2,363)	(2,492)	(1,951)

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and amounts owed by the subsidiary undertaking.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to the subsidiary undertaking.

Financial assets/(liabilities) measured at fair value are cash, listed investments and foreign currency forward contracts. Listed investments are stated at their mid-market values as at the balance sheet date. The fair value of currency forward contracts have been determined using observable forward exchange rates corresponding to the maturity of the contract.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

16. Unrestricted funds - Charity and Group**Unrestricted funds - current year**

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2024 £000
Unrestricted funds					
General Funds - all funds	34,651	31,985	(32,239)	1,248	35,645

Unrestricted funds - prior year

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2023 £000
Unrestricted funds					
General funds	37,557	29,315	(30,995)	(1,226)	34,651

17. Contingent liabilities

There are no contingent liabilities as of 31 March 2024 and 31 March 2023.

18. Operating lease commitments

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

	Group	Group As restated	Charity	Charity As restated
	2024	2023	2024	2023
	£000	£000	£000	£000
Land and Buildings				
Not later than 1 year	359	371	359	371
Later than 1 year and not later than 5 years	1,483	1,463	1,483	1,463
Later than 5 years	-	363	-	363
Other	1,842	2,197	1,842	2,197
Not later than 1 year	75	36	75	36
Later than 1 year and not later than 5 years	-	15	-	15
	1,917	2,248	1,917	2,248

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

19. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the Group.

Transactions in respect of Trustees' expenses and key management personnel remuneration are disclosed in note 8.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

PATRON, TRUSTEES AND EXECUTIVE MANAGEMENT

PATRON

Her Majesty The Queen

BOARD OF TRUSTEES

CHAIRMAN

Major General Chris Wilson CB CBE

VICE CHAIRMAN

Howard Perlin MBE FCA

TRUSTEES

Tony Hales CBE

Deborah Loudon

Rear Admiral Anthony Rix RN CB

Helen Depree

Darren Long

Vanella Jackson

David Moody

Niall MacGinnis

Air Commodore Richard Fogden

SECRETARY

David Hamilton FCA

LIFE VICE-PRESIDENTS

Lieutenant General Sir Roderick Cordy-Simpson KBE CB

Michael Andrae Hon. FCIM

Air Vice Marshal Andrew Vallance CB OBE

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

PATRON, TRUSTEES AND EXECUTIVE MANAGEMENT (CONTINUED)

EXECUTIVE MANAGEMENT

CHIEF EXECUTIVE
Ben Chapman

DIRECTOR OF FINANCE
David Hamilton FCA

DIRECTOR OF FORCES BROADCASTING & ENTERTAINMENT
Nicky Ness

DIRECTOR OF DIGITAL CONTENT & TRAINING
Adam Waters

DIRECTOR OF EDITORIAL CONTENT
Lisa Mitchell

DIRECTOR OF TECHNOLOGY
Ryan Lambert

DIRECTOR OF DEVELOPMENT & STRATEGY
Nick Beer

DIRECTOR OF HUMAN RESOURCES
Laura Smith

Registered office: Chalfont Grove, Narcot Lane, Chalfont St Peter, Gerrards Cross, Bucks, SL9 8TN

BFBS

England & Wales - Charity number 233480

Accounts

Registered number: 00407270
Charity number: 233480

BFBS
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

BFBS

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BFBS

**ADMINISTRATIVE DETAILS OF THE CHARITY AND ITS ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023**

Company registered number	00407270
Charity registered number	233480
Registered office	Chalfont Grove Narcot Lane Gerrards Cross Buckinghamshire SL9 8TN
Websites	www.bfbs.com www.forces.net
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants 16 Great Queen Street Covent Garden London WC2B 5AH
Bankers	HSBC Bank plc 65 Packhorse Road Gerrard Cross Bucks SL98PH
Solicitors	Bates Wells 10 Queens Street Place London EC4R 1EY KLC Employment Law Consultants LLP Mill Pool House Mill Lane Godalming Surrey GU7 1EY
Investment managers	BlackRock Investment Managers 12 Throgmorton Avenue EC2N 2DL M & G Investments 10 Fenchurch Avenue London EC3M 5AG Investec 30 Gresham Street London EC2V 7QP

BFBS

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The Board of Trustees of BFBS has pleasure in presenting its report, which incorporates the strategic report, on the activities and results for the year ended 31 March 2023.

Our aims and how our activities deliver public benefit

Our Charity's aims are to promote the efficiency of HM Armed Forces ('the Forces') through the provision of services related to entertainment, information, education, welfare and training.

Our activities deliver benefit through:

- Providing dedicated radio and TV channels for Forces personnel and their families, whilst stationed or deployed abroad;
- Providing local radio channels in military bases in the UK together with a national BFBS service on DAB+, online, via mobile apps and through Sky and Freesat;
- Creating Forces related video and social media content for distribution across a wide range of digital platforms;
- Showing films in military bases throughout the UK and overseas;
- Staging entertainment shows;
- Running training courses for serving personnel, veterans, military spouses and military charities;
- Providing video production and digital support services to the Ministry of Defence ('MoD') and military charities; and
- Supporting Forces Sport.

Taken together the cumulative impact of all our activities is to provide a critical component in the maintenance of morale of the Forces and their families.

Achievements and performance

As always, our priority throughout the year has been to 'entertain, inform, connect and champion', delivering the strongest possible range of services to the Forces, wherever they are based in the world. The value we bring to our beneficiaries was recognised in the most tangible of forms by the MoD with their decision to extend our contract by 3 years, up to 31 March 2026. The certainty provided by this decision has allowed us to invest in technology to ensure that we continue to provide the most innovative and up-to-date services for our Forces audiences over the next 3 years and beyond.

In September we were hugely saddened but immensely privileged to come together to mark the passing of Her Majesty Queen Elizabeth II as the nation mourned and the military community proudly marked their special relationship with the monarchy. BFBS coverage across all our platforms was comprehensive with an emphasis on Her Late Majesty's role as Commander-in-Chief and the part the military played at her funeral.

Following Russia's invasion of Ukraine, our BFBS teams moved on to an operational footing. With the uplift in the numbers of UK personnel deployed to Eastern Europe, we responded quickly to provide them with the support required in respect of TV, Radio, Cinema and digital newspaper services. Live entertainment followed which proved to be a further welcome boost to morale:

"I am writing to convey the sincere thanks and gratitude of all of us here on Operation CABRIT, for the fantastic BFBS live show. For many of us, the show has marked the end of a challenging six-month deployment in Estonia and lifted our spirits significantly as we prepare for redeployment. I have heard many of our troops calling it the highlight of the tour, and I must say it is a fitting end to our time here".
Major J C M Evans Fry, Officer Commanding, Theatre Support Sqn.

BFBS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Support of Operation Interflex, the UK military's training programme for Ukrainians, has become an important new element of the services we provide. Visits from the Movie Machine, our mobile cinema, to show screenings of the latest blockbuster movies with Ukrainian subtitles have been very warmly received. More recently, our Technical teams have successfully trialled the provision of a range of Ukrainian TV channels for their military personnel training in the UK and will be launching this shortly.

BFBS reached a significant milestone in 2023 with the 80th anniversary of our first broadcast in 1943 from Algiers. We were honoured to mark the occasion with a reception at the Speakers House, kindly hosted by Sir Lindsay Hoyle, the theme of which was '80 years of innovation'. Since then, the breadth and range of BFBS TV & Radio services has expanded to reach over 70 countries and Royal Navy ships at sea. The aims of the service have, though, remained unchanged throughout this time – to 'entertain, inform, connect and champion' the Forces community, often simply put as 'To Serve Those Who Serve'.

Broadcasting

BFBS Radio teams across the UK and around the world have prioritised bringing fun and engaging entertainment, music and a wealth of information, news and sport to audiences, putting the Forces community at the centre of everything they do. This year saw special programmes to commemorate the 40th anniversary of the Falklands conflict, with a 6-part podcast series and live link ups from our station in the South Atlantic. BATUS 50 also saw unique content to recognise 50 years' of British military training on the prairies in Canada, providing the insight and interest that civilian outlets don't cover.

Our second series of eSports live, as radio, video and podcast content, reflected the growing community of military gamers. We were delighted too to host the first ever eSports competition at Armed Forces Day in Scarborough at which we invited members of the public to take on the best of the services gamers, bringing the two worlds together in a combined real life/virtual event.

BFBS overseas radio teams live and work in the heart of the Forces communities they serve, where they go above and beyond every day to make a difference. Their work and the added value it brings is so much more than simply what they do on air or behind the broadcast scenes.

"I write to thank you for your fantastic support of the RAF Gibraltar Families Day. The event was an out and out success, with some really wonderful positive feedback from all those who attended. BFBS Gibraltar's generous support of funds, publicity, time and presence, absolutely underpinned the collective success of the day. The funding enabled real interaction with the crowds, particularly with the provision of prizes for the Air Safety competitions, and with the undeniable crowd pleaser of free ice creams to the first 100 children; the latter was key, I think, in that it encouraged early (and timely) participation from visitors, creating 'a buzz' at the event from the outset. Your technical backing for the opening addresses and the Military Wives' Choir performance was also very much appreciated. As ever, the support from BFBS Gibraltar has been exceptional. Thank you so much for your time and efforts". Wing Commander Annella Doherty, Station Commander, RAF Gibraltar

BFBS Radio in the UK reaches a wide audience of listeners, around 850,000, of whom 70% are from the Forces community – serving, spouses/partners, veterans, reservists, families and cadets. The other 30% are members of the public who like hearing about Britain's military, love our music policy and embrace the fact we have no commercials. Although the station primarily exists to entertain, connect and inform the Forces community, its role in championing the work they do to the wider general public is also an important one.

Our services to the Brigade of Gurkhas in the UK and overseas remain an essential part of our delivery with BFBS Gurkha Radio reaching 84% of serving personnel and their families, mixing music, news and information from Nepal with full coverage of military events and activities from serving Gurkhas and the veteran community, all in the Nepali language. We've continued to expand the ways of listening, adding the station to more digital radio transmitters in the UK, launching in both Basingstoke and Winchester areas on small scale DAB and on permanent low power FM in Blandford, Dover and Leaconfield. The station remains our most popular web stream with around 370,000 listening hours per month, for Nepali speakers based all over the world.

BFBS

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

For our TV teams, the motivation remains to go over and above in service delivery, continuing our partner approach with broadcasters, streamers, sports federations and Hollywood studios in order to provide the best curated selection of programmes to keep the military community connected and their wellbeing supported with great entertainment during their downtime. Industry relationships are as solid as ever, with high appreciation for the work of BFBS as a charity in support of the men and women of the Forces.

One of the most hotly anticipated sci-fi adaptations, *Dune*, became exclusively available to Sky and NOW subscribers in the UK and to all viewers of BFBS TV over Easter 2022 (the same time as in the UK), thanks to a new content supply arrangement in place between BFBS and Warner Bros. At around the same time we were delighted to be offered the opportunity to screen the major new feature-length documentary *Elizabeth: a Portrait in Part(s)* in June '22, in tandem with a release in UK cinemas and Amazon Prime Video.

BFBS TV has renewed partnerships with other major distributors including Universal, Sony and Disney as well as continuing our unrivalled coverage of title-fight boxing, premier league football and rugby. Whilst our line-up of live premium sport continues to build, shape and tone - including one particular April weekend where we also showcased 15 different competition rounds or titles on one day - the genre now includes service action such as Army v Navy rugby live and the British Army Boxing Final between 3 PARA v 1st Fusiliers, produced by BFBS. In December 2022, a combination of technical innovation and close collaboration with the Royal Navy and other partners saw the launch of a bespoke BFBS TV channel for Royal Navy ships in the Indo-Pacific. The new channel offers live rolling news and top-flight sport as well as national events and our Forces News and ensures that those who are far away stay in touch with home.

More recently, we were delighted to announce the establishment of a development partnership between BFBS and Oneweb, the communications company part owned by the UK government. This collaboration will help support comprehensive global coverage and innovative and strengthening services for our Forces audiences in the coming years.

The original content produced by our Forces News team is reaching increasingly large audiences, with a total of 1.5 million subscribers / followers across all platforms. Our ability to connect with both serving audiences and the general public has become highly valued throughout the MoD.

"Permanent Joint Headquarters ('PJHQ') has long shared a positive and constructive working relationship with BFBS, working cooperatively towards the same goals of promoting the British Armed Forces positively to the public and displaying the fantastic work our deployed forces conduct 24/7, 365. Your reporters not only work hard towards this effort, but also provide a huge sense of achievement for our deployed personnel when their theatres work is displayed for their families and country to see". Capt M Hankey RN, PJHQ

Ukraine has continued to dominate the Defence agenda and it has been interesting to see that collaboration with allies has become an even higher priority for the MoD. This was highlighted by our team's coverage of Exercise Red Flag in the Nevada desert which attracted 4.5 million views on YouTube, 55% of which came from the US.

Our popular live coverage of Forces Sport has been enhanced further, helped by new kit to increase camera angles and the use of serving military experts as commentators. In 2022, audiences online reached 660,000 and we anticipate hitting close to a million in 2023. New technology also helps enhance the experience and, at the Winter Sports Championship in Meribel, we partnered with BT to populate an app with BFBS News & Sport content which was used by 600 competitors and VIPs.

With the closure of our Freeview platform, Forces TV, our UK channel ceased broadcasting on 30 June 2022. The channel has served our UK audience well since it launched in 2014 but, with digital transformation completed, the most effective way to reach wider audiences and, particularly, serving Forces personnel and their families is now through digital platforms. In addition, of course, all our content continues to be available to overseas based audiences on BFBS TV.

BFBS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Finally, this year, it has been tremendous to see recognition from the wider broadcasting industry of the quality of our expert and original content. At the prestigious Arias awards our podcast, SitRep, won for best news coverage of the war in Ukraine, against competition which included the BBC and Times Radio. Elsewhere, we had recognitions at the international New York Radio Festival and a coveted Gold for BFBS Aldershot's Natasha Reneaux, winning entertainment programme of the year at the Community Radio Awards.

BFBS Academy

This year the Academy team devised and launched a new 6-month Production Managers course, specifically for veterans and fully funded by the BFBS Trustees. The logic for this new initiative was clear - production management is the most in-demand skill in the media currently and, happily, it's a trade that most in the military are very well suited to.

We are delighted to say that our first year's intake of veterans successfully graduated and that all have gone on to transition into new careers in the media industry including with the BBC, Fremantle UK, Thread Films and independent production companies.

Alongside Production Managers, we also launched a new Photography course, available to serving personnel and to those who are leaving the military. We were pleased to secure the services of the Army's Chief Photographer to lead the course and it proved to be a success for all the attendees.

Our Digital Development Programme ('DDP') in support of Military Charities, Covenant Grant Holders and Military Spouses has been running since 2018, funded by the Armed Forces Covenant Trust. For many organisations a digital skills gap means that they are not always adept at telling the story of the tremendous work they do in support of their Armed Forces beneficiaries. The DDP addresses this challenge through our two day 'Social Media Storytelling' course run in locations around the UK – Glasgow, Edinburgh, Newcastle, Manchester, Cardiff, Bristol, London and Portsmouth. The course is delivered by our social media and smartphone filming specialists and has trained staff from over 90 different Military Charity and Covenant Grant Holder organisations.

The challenges for Military Spouses in finding work and maintaining careers, whilst moving with their serving partners and having responsibility for childcare are sizeable. The DDP recognises this and provides bespoke online training for them, across 11 weeks, delivered by our social media experts. The online courses are complemented by our popular, in person, national networking and learning events and workshops and we continue to mentor participants even after the course has been completed. This programme provides much valued support, giving them the digital skills to secure jobs, promote their own businesses, or simply feel more connected to their community. A total of 642 spouses have benefitted directly from the programme and over 1,600 have joined our thriving online community 'SMSpouses' on Facebook. Throughout, the feedback we have received has been consistently positive:

"SMSpouses provides amazing opportunities and really does open doors, whether that's learning a whole new career that you can take with you anywhere in the world, building on existing skills or accessing regular work experience and job opportunities. The team delivering the programme are experienced, passionate and dedicated. I've been a military spouse for eight years and this is the best example of support that I have seen in terms of free access to training and opportunities that can really change lives".
Lee O'Driscoll (SMSpouses graduate)

On behalf of all the beneficiaries we would like to thank the Armed Forces Covenant Trust for their support of the DDP. The positive impact of this unique programme will continue to be felt for many years to come.

BFBS Creative

BFBS Creative has had a busy year including in delivering projects for Defence People, Defence Communications, RAF Recruitment, Strategic Command and the Defence Science Technology Laboratory ('DSTL'). Our mix of media expertise, combined with a unique understanding of the military, makes us well placed to assist the MoD with this work.

BFBS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Among our most impactful projects has been our work supporting the MoD in countering disinformation around the Ukraine War. This culminated in a high end documentary we produced for the MOD's YouTube channel on Challenger 2 tanks - <https://youtu.be/S9-Eghtai3s> - which rapidly entered their most viewed videos.

Elsewhere, we also play a leading role in promoting cyber security across all branches of the Forces through written content, videos, podcasts, and even gameshows as part of the 'Cyber Confident' project.

Support of our fellow military charities continues to be an important element of our work and, this year we have assisted RNRMC, RFEA and the Army Families Federation. The production of powerful videos to tell the stories of the tremendous work these organisations do helps with funding and in raising their profile with potential beneficiaries.

BFBS Cinemas

Our Cinelink service is now in place in a total of 65 military communities globally, providing the latest cinema releases. This small box, with content protection built in, ensures we can deliver the morale boosting best of Hollywood without the need for a full digital cinema, the purchase and maintenance of which is often unviable.

The BFBS Movie Machine (an 80-seater mobile cinema) continues to bring brand new cinema releases to the doorsteps of Forces communities, free of charge thanks to our partnership with Sky. We completed a number of tours this year, including around Scotland, and each visit generated a 'wow factor' and a welcome boost to morale.

"The Battalion currently finds itself deployed on 2 fronts across two continents. The disjointed nature of the two deployments has resulted in the community on the home front left holding the burden of everyday troubles. I was delighted with the news my welfare team had successfully secured a visit from the BFBS Movie Machine. The support of BFBS and Sky allowed our community in Inverness to unite. Thank you for your unwavering support to our Battalion." Lt Col M Hayton Commanding Officer 3 SCOTS

Elsewhere, our network of cinemas in Cyprus, the Falklands and the UK welcomed 35,000 through the doors in 22/23 watching 150 cinema releases, including the highly anticipated Top Gun: Maverick which screened across all cinemas on-release. The Astra Cinema Akrotiri and Wessex Cinema Aldergrove both received substantial BFBS Welfare Grants which assisted them with upgrades to projection and server equipment. Free screenings were arranged for the Defence Medical Rehabilitation Centre at Stanford Hall, providing patients and families with the opportunity to watch brand new cinema releases forming an important part of their rehab programme. We also increased our diverse programming to include a mixture of Nepalese and Bollywood cinema releases. These included Gurkha: Beneath the Bravery, RRR, Dui Numbari, Kabaddi 4: The Final Match, Pathaan and Selfiee.

"The Falklands Gurkha Community are very grateful for your support. We thoroughly enjoyed the movie. Thank you for all the hard work." Gita Ringjali, Falkland Islands

BFBS Live Events

The appetite for live entertainment has surged during the last year, with the effects of the pandemic receding and audiences loving the opportunity to come together in real life with entertainment at the heart of their morale boost. The small BFBS Live Events team delivered a total of 50 events and tours from April 2022 to March 2023, including shows for personnel deployed overseas in Estonia, Bahrain, The Middle East and Cyprus.

With the increase in British troop numbers in Eastern Europe, we recognised that many families in the UK were experiencing short notice deployments of loved ones, often for longer periods than anticipated. We were agile in our response and focused on the delivery of morale boosting event packages to families in the UK including Mother's Day events, Easter celebrations and street party support – fully funded by BFBS as part of our welfare mission. When it was time for the troops to return home, BFBS were also on hand to help deliver memorable homecoming celebrations too.

BFBS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

"...thank you for all the support you and your team at BFBS provided for our Regimental Parade. The support made the day a fantastic success for the Regiment and our families. The families particularly enjoyed the various entertainment provided for the children, as well as the band that played in the afternoon. It was a great way to finish what was a wonderful day. Throughout this process you and your team have been exceptional. Thank you once again for all that you have done for the Regiment; it's hugely appreciated" Major Hamish Davidson, Royal Tank Regt. Tidworth

The team provided large scale stage-based outdoor events in celebration of Provost Day in Portsmouth, RAF Marham Friends and Family Day and RAF Odiham's Families Day. We were also an instrumental part of the Celebrating Forces Families Awards, the RLC Sports Awards and the Army Sports Awards.

"Please could you pass on The Royal Logistic Corps' sincere gratitude to the whole team. Once again you have put together a quality and professional production for us, this time including live streaming to our Facebook page. The final production was, as ever, very professional and engaging for all attendees both in person and online. I can't thank you enough for making The RLC Sports Awards a success and look forward to dealing with you again in the future" Richard Stockman, Assistant Regimental Secretary.

The team continue to be inundated with requests for events in the UK and overseas. It is heartening to see the military entertainment world completely return to normality after the uncertainty and restrictions of the pandemic years.

BFBS 'Big Salute' Campaign, the BFBS Welfare Fund and the BFBS Ice Cream Van

Our annual Big Salute Campaign raises funds for military charities through the combined efforts of BFBS staff and our audiences around the world. This year Big Salute distributed grants of £25,000 to support a range of different projects, including:

- A bandstand for Broughton House Veteran Care Village
- Welfare support to the Defence Medical Welfare Service helping 175 Armed Forces Community members across Nottinghamshire
- Support for Veterans With Dogs to enable them to hold respite residencies for veterans and their dogs
- Gifts & vouchers for Scotty's Little Soldiers to send to bereaved Forces children.
- Helping The Royal Air Forces Association (RAFA) with the conversion of a room into a self-contained apartment for RAF veterans.

"On behalf of the future residents and the wider RAF veteran community, thank you once again for supporting the transformation of Rothbury House, which will provide a safe and welcoming home for members of the RAF veteran community with shared experiences to find a sense of belonging in their later years". The Royal Air Forces Association (RAFA)

Total grants from the BFBS Welfare Fund were £321,000 which supported a wide range of projects including:

- Radios for personnel deployed to Estonia
- Audio visual equipment on board HMS Iron Duke
- Cinema room in Brunei
- Enhancement of welfare facilities in Kathmandu and at Al Udeid Air Base
- Support of 'Inspire 22', the Interdisciplinary South Pole expedition
- Audio visual equipment in support of Op Interflex (Ukrainian training)
- Projectors for Op Tangham (Somalia)
- Support of UK Armed Forces Sport

BFBS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Our Trustees took the opportunity to increase their long-standing commitment to UK Armed Forces Sport still further, with their support of 24 different events – Angling, Athletics, Badminton, Basketball, Canoeing, Climbing, Cricket, Cycling, Equestrian, Football, Golf, Hockey, Ice Hockey, Martial Arts, Netball, Orienteering, Paragliding, Rowing, Rugby League, Sailing, Squash, Tennis, Volleyball and Winter Sports.

The BFBS Ice Cream Van is one of our most popular welfare focussed initiatives, dropping into the Forces community and delivering a free vanilla-flavoured boost in a cone. From the tiniest tot to the most senior of Commanders, it delivers a smile and squeeze of sauce wherever it goes. We've been at more than 100 events this year, including behind the scenes support to the thousands of personnel supporting the Queen's funeral and the King's Coronation ceremonials.

"Just wanted to write a short note to say a huge thank you for your support in sustaining the morale of so many of those deployed forward and working long hours on the delivery of Op LONDON BRIDGE. The sight of the camo ice cream truck and a smile, alongside some much-needed refreshment, was a real gem and brought a welcome respite". Major General Jon Swift OBE

Ethics and Sustainability

BFBS' activities are conducted on a strictly ethical basis, with due regard to the interests of other stakeholders and the wider community. This is fundamental to ensuring the longevity of the Charity and the support we provide to our beneficiaries.

This approach is consistent with that required under Section 172(1) of the Companies Act 2006 and ensures that due consideration is given to the:

- likely long term consequences of decision making;
- interests of our employees;
- need to foster strong relationships with customers, suppliers and other stakeholders;
- impact of our activities on the community and the environment; and
- importance of maintaining a reputation of high standards of business conduct.

In line with this approach BFBS has formally committed to becoming a carbon net zero organisation by 2050 or sooner. Our Carbon Reduction Plan is published on our website and further details are provided later on in this report.

<https://www.bfbs.com/sites/bfbs.com/files/2023-01/BFBS%20CRP%20v4%20signed.pdf>

Employees

We apply an approach of comprehensive communication and engagement with our employees to ensure that they are aware of all issues that affect them, including the operational and financial performance of the Charity. This is done through a range of mechanisms, including fortnightly newsletters, staff surveys, departmental meetings, 'meet the CEO' sessions and all Staff 'Town Hall' meetings.

Engagement with staff is helped further through our establishment of 5 employee groups, the Veterans, Belonging (diversity), Wellbeing, Women, and Green networks. These networks play an important role in strengthening the support available to employees and in ensuring that communication flows effectively throughout the organisation.

BFBS

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Customers, Suppliers and Other Stakeholders

Our approach in working with our customers, suppliers and other stakeholders is an open, collaborative and respectful one. As a Charity whose entire focus is on delivering the best possible set of services for the Forces community, our aims are consistent with those of our principal customer, the MoD. As a not for profit organisation, our ability to offer maximum value for money (a key criteria in government procurement) is an important element in strengthening our relationships with our customers.

In working with suppliers we seek to build stable, long term, relationships to provide us with the best possible set of technology and content solutions to support the Forces community. Regular communication, the negotiation of effective and fair subcontracts and ethical commercial dealings, including prompt payment, all play a part in building trust and beneficial relationships with suppliers.

Financial Review

Total income was £29,315,000 up £541,000 (1.9%) on prior year. An increase in activity in support of the MoD, including in respect of Eastern Europe and our BFBS Creative services, resulted in growth in underlying income of 5.5%. This was partly offset by the impact of the loss of advertising revenue following the closure of Forces TV in June 2022. Total expenditure was £30,995,000, up £1,039,000 (3.5%). The underlying growth in expenditure was 7.0% due to the increase in activities and high inflation and this was partly offset by savings following the closure of Forces TV.

Streamlined Energy & Carbon Reporting (SECR)

BFBS formally committed to becoming a net zero carbon emissions organisation by 2050 or sooner in 2021/22 and since then we have assessed, monitored and reported on our greenhouse gas emissions in line with the Streamlined Energy and Carbon Reporting regulations (SECR).

Data has been collected from invoicing and other reporting provided by our suppliers and also from information directly extracted from our financial accounting system. The conversion factors applied to this data to assess the emissions were taken from "Greenhouse gas reporting: conversion factors 2022" published by the Department for Business, Energy & Industrial Strategy.

The measurements used for this report are divided into three separate sections:

- Scope 1 covers the emissions that we generate directly, including emissions from gas and electricity heating, plus any emissions from company owned vehicles;
- Scope 2 refers to emissions that we generate indirectly and is mainly purchased electricity; and
- Scope 3 covers emissions associated with our operations and includes activities such as business travel, staff commuting and downstream transportation and distribution for our commercial operations.

BFBS

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

The data for 2022/23 is shown in the table below, together with prior year comparatives.

Table 1 BFBS SECR Return Financial Year 2022 / 2023

Source	2021 / 2022		2022 / 2023	
	Consumption kWh	Emissions kgCO ₂ e	Consumption kWh	Emissions kgCO ₂ e
Scope 1				
Purchased Gas	141,039	25,387	83,472	15,025
Refrigerants (All Sources)	-	15,053	-	15,767
Owned Vehicles	83,620	117,244	57,350	80,411
Scope 1 Total	224,659	157,684	140,822	111,203
Scope 2				
Purchased Electricity	31,720	164,027	22,818	117,997
Scope 2 Total	31,720	164,027	22,818	117,997
Scope 3				
Vehicle Travel	7,953	41,128	7,104	36,738
Air Travel	-	127,798	-	380,498
Rail Travel	-	1,109	-	3,005
Other Travel (Inc Taxi, Bus)	-	1,079	-	290
Employee Commuting	106,909	149,898	71,782	100,647
Upstream and Downstream Transportation	-	2,421	-	2,345
Waste	-	886	-	321
Scope 3 Total	114,862	324,319	78,886	523,844
Emissions Total	371,241	646,030	242,526	753,044
Carbon Intensity (Headcount)		2,530		2,931

With Covid restrictions ending, 2022/23 saw a return to a more normal pattern of air travel for our teams in delivering services to the Armed Forces overseas. This, in turn, resulted in an anticipated marked increase in emissions from this line item. Elsewhere though, we are pleased to have implemented a number of initiatives that will help to reduce emissions in the longer term. These include the launch of Cycle to Work and Electric Vehicle schemes for our staff and the installation of charging points at our Chalfont Grove offices. Our commitment to achieving net zero has been further reinforced by our success in securing accreditation for the ISO14001 Environmental Management quality standard.

BFBS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Plans for future periods

The Charity plans to continue to provide the full range of services to its beneficiaries, as currently contracted for with the MoD. In addition, we will continue to seek other sources of funding to support the development and delivery of new services for the Forces community, consistent with the aims of the Charity.

Key performance indicators

The financial performance of the Charity is closely monitored on a monthly basis by the Director of Finance with both revenues and costs being compared against the BFBS Board approved budget for the year. The monthly management accounts are presented at each Board meeting together with a commentary on activity, revenue and expense variances.

Key performance indicators ('KPIs') covering the delivery, performance and quality of the services provided under contracts to the MoD have been defined and are monitored and reviewed jointly with the MoD on a monthly basis. With the opinions of our viewers, listeners and customers of paramount importance to the Charity, audience research surveys are the most significant of the KPIs. In that context, we are pleased to report that audience satisfaction ratings have been consistently over 90% throughout the year to 31 March 2023, far in excess of the minimum contractual level required of the Charity by the MoD.

BFBS is a quality broadcaster and committed to maintaining its high standards of service to its viewers and listeners. Quality Assurance programmes have been developed within the radio and television divisions and BFBS has ISO 9001 accreditation.

Investment policy and performance

Under the Memorandum and Articles of Association, the Charity has the power to make any investment that the Trustees see fit. The objective of the Investment Policy is, on a low risk basis commensurate with the Charity's charitable status, to protect the capital value of the investment assets whilst generating an acceptable level of return from income and capital appreciation. BFBS will not invest directly in derivatives, or in unquoted securities, physical assets or property and will not engage in stock lending or underwriting. The Charity has an ethical investment policy to ensure that Environmental, Social and Governance considerations are taken into account by fund managers in devising their investment strategies.

The Investment Committee has considered the available options for investing surplus funds and has continued to engage the services of investment managers during the year. The majority of investments are in fully invested pooled funds. The Investment Committee regularly reviews the performance of the investment managers and meets with them when appropriate. The performance of the investment funds is monitored and measured against other Charity Common Investment Funds and the FTSE all share index.

The investment portfolio stood at £30,185,000 as at 31 March 2023, down £1,226,000 (3.9%) compared to 31 March 2022. This decrease arose in the closing months of the financial year due to market volatility as a result of increasing inflation and interest rates.

Principal risks and uncertainties

The Board reviews, on an ongoing basis, the major operational, business and financial risks that the Charity faces. The audit committee also meets with the external auditors on a regular basis.

Senior management monitor all operational, business and financial risks that the Charity faces, and confirms that systems are in place to mitigate the significant risks.

The principal risks and uncertainties are as detailed below.

BFBS

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

MoD Broadcasting Contract

A substantial proportion of the Charity's revenue comes from the MoD Broadcasting Contract, which the MoD has recently agreed to extend by 3 years to end on 31 March 2026.

The securing of a new MoD contract beyond March 2026 will be critical in enabling BFBS to continue to provide TV and Radio services globally to the Forces community and so to comprehensively fulfil its charitable aims.

To help support the case for contract renewal the focus of our Trustees is on providing as strong as possible a range of services to the global Forces community. In addition, our senior managers work closely with the MoD, at all levels, to ensure that the value of the services we deliver are effectively communicated and that the priorities and requirements of our Forces audiences are clearly understood.

Inflation

High levels of inflation through 2022/23, 2023/24 and, potentially, beyond that too, will have an adverse impact on costs and could, ultimately, compromise the ability of BFBS to deliver on its full range of charitable activities.

By way of mitigation, Trustees review opportunities for cost savings and efficiencies, while also seeking opportunities to increase income from all available sources.

Cyber Security Risk

In common with many organisations, BFBS is vulnerable to cyber attack which, in the worst case, could compromise our ability to deliver services and / or risk the loss of confidential information.

To address this risk our Trustees embarked on a two year programme to review and strengthen our cyber security covering all aspects – processes, technology, staff awareness and training. This culminated in an external audit in April 2021, following which BFBS was awarded ISO27001 accreditation – the international information security standard. Follow up surveillance audits in April 2022 and 2023 confirmed that the organisation remains compliant and we look forward to the full recertification audit in 2024.

Best practice in respect of information security is now firmly embedded throughout the organisation and is regularly reviewed, refreshed and audited to manage and mitigate cyber security risk.

Technology Investment

There is a risk that, without sufficient investment in technology in respect of both equipment and expertise, the Charity could be unable to deliver all the services required by the MoD for the current contract or for a future one.

To mitigate this risk the Board has implemented a programme of technology refreshes in up-to-date transmission systems, studios, delivery platforms and other equipment. In addition, recruitment, retention and training programmes have been put in place to ensure the Charity has in-house technical personnel with the appropriate skills and expertise.

Covid / Future Pandemics

Our experience over recent years has led us to implement new working practices which will help mitigate the risks posed by a new Covid variant or by any future pandemic. Staff are set up with IT equipment to work from home and we have introduced a hybrid working policy so that no more than 50% of staff are in the office at any one time – facilitating social distancing. All new cases of Covid are reported and tracked and staff who are unwell (for any reason) are asked to work from home until they have recovered.

Although, clearly, another pandemic could pose challenges for the delivery of our services, these mitigating steps should assist in minimising this risk.

BFBS

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Reserves policy

At 31 March 2023, the Charity held 'unrestricted funds – other charitable funds' totalling £34,651,000 (2022: £37,557,000). The Charity's policy is to maintain reserves at a level sufficient to ensure that there is no major disruption to our services for beneficiaries in the event of unforeseen increases in expenditure or reductions in income, whilst at the same time allowing investment in new projects designed to ensure the long term financial sustainability of the Charity. In the event of the loss of the MoD Broadcasting Contract, the maintenance of an adequate level of reserves would be particularly important in providing a continuing flow of investment income to fund charitable activities.

The Charity's operations are underpinned by its long term contract with the MoD. The nature of this contract enables the Charity to forecast future revenues with reasonable certainty and costs continue to be controlled so as to ensure that total income from charitable activities approximately matches total outgoings. Consequently, the Trustees believe that the Charity is well placed to manage its operational risks successfully, despite the current uncertain economic outlook.

The Trustees therefore have a reasonable expectation that the Charity has adequate resources to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Charity uses various financial instruments including cash, equity investments, and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the Charity's operations.

The existence of these financial instruments exposes the Charity to a number of financial risks, which are described in more detail below.

The main risks arising from the Charity's financial instruments are market risk, liquidity risk, interest rate risk, cash flow and credit risk. The Trustees review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Market risk

Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. The Charity's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled "interest rate risk" below.

Liquidity risk

The Charity seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

A managed risk is the timing and advance funding of expenditure to provide charitable services, and the subsequent receipts from the MoD. An overdraft facility has been put in place so that, in the event of significant expenditures, these can be funded before the receipts from the MoD are obtained.

Currency risk

Forward exchange contracts for US dollars and Euros are used to manage currency fluctuations on purchases in foreign currency by entering into a forward exchange contract to match the future foreign currency commitment when due.

BFBS

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Interest rate risk

The Charity has an overdraft facility in place which is subject to variable interest rates. Rates are monitored closely and, if necessary, alternative sources of funding through the sale of investments are considered.

Cash flow and credit risk

The Charity's trade debtors principally represent amounts due from the MoD. In order to manage credit risk and to ensure prompt payment we have built up a strong relationship with the MoD and maintain regular contact with them throughout the period between the issue of invoices and the receipt of payments, resolving any issues or queries that may arise in the meantime.

Structure, governance and management**Charity Status**

The Charity is a company limited by guarantee (company number 00407270) and is registered as a charity (Charity number 00233480). Members of the organisation guarantee to contribute an amount not exceeding £1 each to the assets of the organisation in the event of a winding up. The total number of such guarantees at 31 March 2023 was 11 (2022: 11).

Our Aims and Objectives

Our Charity's aims, as described in the Memorandum and Articles of Association, are to promote the efficiency of HM Armed Forces through the provision of services related to entertainment, information, education, welfare and training. These aims were developed further in the update of the Memorandum and Articles of Association as at September 2017, adding to advance the education of the Armed Forces Community for the benefit of the public, where the 'Armed Forces Community' comprises current service personnel, reservists, cadets, veterans, service leavers and civilians who work in direct support of the UK military.

Ensuring our work delivers our aims

Our activities are subject to continual review throughout the year by both the Board of Trustees and the Executive Team. This review process helps us to ensure that all our activities remain focused on our stated aims and objectives.

In this context the Board of Trustees can confirm that they have complied with their duty under section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in planning and implementing all the activities of the Charity.

Organisation

A Board of Trustees, which meets five times a year, administers the Charity. There are sub committees covering investment, audit, remuneration, Board and Senior Management nominations and the distribution of charitable funds:

- investment committee meets regularly during the year. At each Board meeting, it reports to the Board on the performance of investments;
- audit committee meets during the audit process each year, and on further occasions as required;
- remuneration committee meets to determine senior staff remuneration at least once a year;
- nominations committee meets no less than once a year to recommend any alterations to the Board that are deemed necessary and to appoint Senior Management; and
- welfare fund committee meets as and when required to deal with requests received and reports to the Board at each Board meeting.

BFBS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

A Chief Executive is appointed by the Board to manage the day to day operations of the Charity. In 2023 there was a change in this role, with Simon Bucks leaving after 7 years. The Trustees would like to thank Simon for the outstanding contribution he made over this period, during which BFBS considerably strengthened and broadened the range of its services for our Forces beneficiaries. Simon's successor is Ben Chapman, formerly of the BBC and Amazon Audible and the Trustees look forward to working with him in the coming years.

Directors

All members of the Board are directors for the purposes of company law and Trustees for the purposes of Charity law. All Trustees served throughout the year, except as noted below.

The Trustees are elected by the existing Board, which may, at any time, co opt any person duly qualified to be appointed, as a member of the Board to fill a vacancy in their number. All proposed appointments are subject to approval by the Board. The Board shall include individuals who have held commissioned rank in the Forces and civilians with relevant business experience. The total members of the Board must number between 3 and 13.

Excluding the Chair, from time to time, each Trustee shall retire from office at the third annual general meeting following the commencement of his or her term of office. Retiring Trustees may be reappointed.

The membership of the Board is set out below:

Major General Christopher Wilson chairman of the Charity, the nomination, remuneration and welfare fund committees and member of the investment and audit committees

Howard Perlin vice chairman of the Charity, chairman of the audit committee, and member of the remuneration, investment and nomination committees

Captain Graham Robinson RN – member of the investment and welfare fund committees

Tony Hales – chairman of the investment committee and member of the audit, nomination and remuneration committees

Deborah Loudon member of the nomination and remuneration committees

Rear Admiral Anthony Rix RN member of the welfare fund committee

Helen Depree member of the audit committee

Darren Long

Vanella Jackson

David Moody

Niall MacGinnis – appointed 7 December 2022

Air Cdre Ian Tolfts – resigned 20 September 2022

Trustee training and induction

All new Trustees undertake an induction programme on joining the Board. The aim of this programme is to introduce new Trustees to the Charity's objectives, operations and governance arrangements. The induction programme includes a pre appointment pack, meetings with senior management, a visit to the principal facility, presentations on key financial and operational areas and relevant documentation. Trustees are regularly updated on changes to charity and company law as well as changes to other legislation which have an impact on the Charity. Trustees are expected to remain updated with charity best practice.

Grants

A sub committee exists to review applications for grants from the Forces. The review process includes ensuring that the provision of each grant is within the terms of the charitable objectives of the Charity.

The Charity continues to actively promote its welfare fund to the Forces by regular communication to the Directorates of Corporate Communications (DCCs) for each Service, direct communication with the Forces via the Charity's website and promotional features on BFBS radio and the main BFBS television channel.

BFBS

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Grants are awarded to units of the Forces in respect of worthy causes associated with education, training, welfare and entertainment needs. The welfare fund committee meets as and when required to deal with applications received and reports to the Board at each Board meeting. The Chief Executive and Director of Finance are authorised to approve individual grants with a value of less than £10,000, whilst the welfare fund committee is authorised to approve grants with a value of less than £50,000. Individual grants in excess of this value are approved by the Board. Grants are approved if the purpose is a worthy cause and is within the terms of the objectives of the Charity. During the financial year, 34 applications for grants were received, all of which were either partially or fully awarded. The average value of grants made during the year was £9,454.

Principal funding sources

The principal source of funding is the MoD for the services delivered under contract to them.

Disabled workers

It is the Charity's policy to follow the Government's guidelines on the employment of disabled workers as far as it is possible.

Statement of Trustees' responsibilities

The Trustees (who are also directors of BFBS for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

BFBS

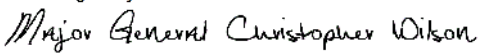
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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

Auditor

Blick Rothenberg Audit LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Charity receives notice under section 488(1) of the Companies Act 2006.

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

DocuSigned by:

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Major General Christopher Wilson
(Chair of Trustees)

Date: 05-Dec-23 | 18:40 GMT

BFBS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS

Opinion

We have audited the financial statements of BFBS (the 'Parent Charitable Company') and its subsidiary (the 'Group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the Charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

BFBS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report including the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- the Parent Charitable Company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

BFBS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group, including the Companies Act 2006, Charities SORP (FRS 102), Charities Act 2011, Charity Code of Governance and The Ofcom Broadcasting Code;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims;

BFBS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS (CONTINUED)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Blick Rothenberg Audit LLP

Mahmood Ramji (senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

16 Great Queen Street

Covent Garden

London

WC2B 5AH

Date: 13/12/2023

BFBS

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income from:				
Charitable activities	4	27,188	27,188	26,662
Other trading activities	5	1,025	1,025	1,161
Investments	6	1,102	1,102	951
Total income		29,315	29,315	28,774
Expenditure on:				
Trading expenses		268	268	388
Charitable activities:	7			
Investment management costs		151	151	152
Costs in respect of charitable activities		30,349	30,349	29,203
Governance costs		227	227	213
Total resources expended		30,995	30,995	29,956
Net expenditure before fair value movements		(1,680)	(1,680)	(1,182)
Fair value movements on investments		(1,226)	(1,226)	2,451
Fair value movements on foreign currency forward contracts		-	-	114
Net movement in funds		(2,906)	(2,906)	1,383
Reconciliation of funds:				
Total funds brought forward		37,557	37,557	36,174
Net movement in funds		(2,906)	(2,906)	1,383
Total funds carried forward		34,651	34,651	37,557

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

All funds are unrestricted.

The notes on pages 26 to 46 form part of these financial statements.

BFBS
REGISTERED NUMBER: 00407270

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	10	3,895	4,382
Investments	11	30,185	31,411
		34,080	35,793
Current assets			
Debtors	12	2,306	5,032
Investments - bank deposits	13	69	118
Cash at bank and in hand	13	1,446	492
		3,821	5,642
Creditors: amounts falling due within one year	14	(3,250)	(3,878)
Net current assets		571	1,764
Total assets less current liabilities		34,651	37,557
Net assets excluding pension asset		34,651	37,557
Total net assets		34,651	37,557
Charity funds			
Restricted funds	16	-	-
Unrestricted funds	16	34,651	37,557
Total funds		34,651	37,557

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

DocuSigned by:

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Major General Christopher Wilson
(Chair of Trustees)

Date: 05-Dec-23 | 18:40 GMT

The notes on pages 26 to 46 form part of these financial statements.

BFBS
REGISTERED NUMBER: 00407270

CHARITY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	10	3,895	4,382
Investments	11	30,185	31,411
		34,080	35,793
Current assets			
Debtors	12	2,244	4,986
Investments - bank deposits	13	69	118
Cash at bank and in hand	13	1,403	429
		3,716	5,533
Creditors: amounts falling due within one year	14	(3,145)	(3,769)
Net current assets		571	1,764
Total assets less current liabilities		34,651	37,557
Total net assets		34,651	37,557
Charity funds			
Restricted funds	16	-	-
Unrestricted funds	16	34,651	37,557
Total funds		34,651	37,557

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

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Date: 05-Dec-23 | 18:40 GMT

The notes on pages 26 to 46 form part of these financial statements.

BFBS

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	2023	2022
	£000	£000
Cash flows from operating activities		
Net cash used in operating activities	(1,680)	(1,182)
Adjustments for:		
Depreciation of tangible assets	1,362	1,450
Profit on disposal of tangible assets	(10)	(4)
Profit on disposal of investments	-	(5)
Dividends received	(1,102)	(951)
Decrease/(increase) in debtors	2,726	(1,062)
Decrease in creditors	(628)	(856)
Net cash provided by/(used in) operating activities	2,348	(1,428)
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,087)	(509)
Sale of tangible fixed assets	222	200
Sale of investments	-	5
Dividends received	1,102	951
Cash flows from investing activities	237	647
Change in cash and cash equivalents in the year	905	(1,963)
Cash and cash equivalents at the beginning of the year	610	2,573
Cash and cash equivalents at the end of the year	1,515	610

The notes on pages 26 to 46 form part of these financial statements

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. General information

BFBS is a Charitable Company limited by guarantee and incorporated in England and Wales. The address of its registered office and principal place of business is Chalfont Grove, Narcot Lane, Gerrards Cross, Buckinghamshire, SL9 8TN.

The financial statements are presented in Sterling (£), which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £'000.

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 Companies Act 2006.

BFBS 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 consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

2.2 Going concern

After reviewing the Charity's and Group's forecasts and their accompanying risks, the Trustees have a reasonable expectation that the Charity and Group have adequate resources to continue in operational existence for at least twelve months from when the financial statements are authorised for issue and as a result they continue to adopt the going concern basis in preparing the Annual Reports and Accounts.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.3 Income****Income recognition**

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.

Activities in furtherance of the Charity's objects represent the total amount receivable by the Charity and the Group, excluding VAT, in the ordinary course of business for goods supplied and for services provided in broadcasting, live entertainment and related services.

Investment income

Investment income comprises interest receivable on short-term deposits and all investment income from fixed asset investments including reinvested income.

Voluntary income

Voluntary income is accounted for when the Charity has entitlement to the funds, the amount can be reliability quantified and there is reasonable certainty of its ultimate receipt.

Trading income

Trading income is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Trading income is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before trading income is recognised:

Sale of goods

Trading income from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of income can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Trading income from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of income can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.4 Expenditure

Resources expended

Liabilities are recognised as resources expended as soon as the Group has a legal or constructive obligation committing the Group to the expenditure. Resources expended are included in the Statement of Financial Activities ("SOFA") on the accruals basis, inclusive of any VAT which cannot be recovered. Resources expended under the charitable activities include all costs incurred by the Group in the delivery of goods and services directed at the achievement of its charitable objectives. These are disclosed in further detail in note 7 to the financial statements.

Grants made

Grants are expensed to the SOFA on the accruals basis and when specifically authorised.

Investment management costs

Resources expended under investment management costs are recognised on the accruals basis.

Governance costs

Resources incurred under governance costs include all specific costs of governance arrangements relating to the Charity and are recognised on the accruals basis.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more 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.

Depreciation is provided on the following bases:

Leasehold premises	- Length of the lease
Short-term leasehold property	- Length of the lease
Office equipment	- Between 3 and 5 years
Other fixed assets	- Between 3 and 5 years

2.6 Investments

Investments are included at market values provided by the fund managers at the balance sheet date. All gains and losses, whether realised or unrealised, are included in the SOFA.

The Charity also holds short term deposits for the purpose of liquidating into cash if the need arises, and these are included at market value. Such short term deposits are considered liquid resources by the Charity.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.7 Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts. Accrued income represents income receivable in respect of services provided.

2.8 Cash and liquid assets

Cash at bank and cash holdings within the investment portfolio includes cash and short-term highly liquid investments with an original maturity date of three months or less. The Trustees consider both cash held within its own bank accounts and balances held by our Investment Managers when considering the liquidity of the Group.

2.9 Liabilities and provisions

Liabilities are recognised when there is a legal and constructive obligation committing the Group to the expenditure. Creditors and provisions are normally recognised at their settlement amount after allowing for trade discounts due.

2.10 Financial instruments

The Charity and Group recognise financial instruments when they become a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Charity's and Group's accounting policies in respect of financial instruments transactions are explained below:

Financial assets**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate account with the loss being recognised within administrative expenses in the SOFA. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.10 Financial instruments (continued)****Fair value through profit and loss**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial liabilities

The Group classifies all of its financial liabilities as liabilities at amortised cost.

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.

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 Group and which have not been designated for other purposes.

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

2.13 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any provision for losses arising on impairment.

2.14 Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities in foreign currencies are translated at the rates ruling at the date of acquisition, or average rate if not materially different. Exchange differences are dealt with in the SOFA. Exchange gains and losses are allocated to the appropriate income or expenditure category.

2.15 Operating lease commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.16 Defined contribution pension scheme**

The Charity recognises the contribution payable for a period;

- as a liability, after deducting any amount already paid.
- as an expense, unless another section of the FRS requires the cost to be recognised as part of the cost of an asset such as inventories or property, plant and equipment.

The pension costs charged against profits are the contributions payable to the scheme in respect of the accounting period.

2.17 Taxation

As a registered Charity, income and capital gains of the Charity are generally exempt from tax if applied for charitable purposes.

2.18 Forward currency contracts

Foreign currency forward contracts are used to manage currency fluctuations on purchases in foreign currency by entering into a foreign currency forward contract to match the future foreign currency commitment when due.

Fair value movements in the valuation of outstanding contracts are recognised in the SOFA. Outstanding foreign currency forward contracts at the reporting date are included within debtors or creditors on the balance sheet depending on the year-end position.

2.19 Financial liabilities and equity instruments

Financial instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of the financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the income and expenditure account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

BFBS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. Significant judgements and estimates

Preparation of the financial statements requires the Trustees to make significant judgements, estimates and assumptions about the carrying values of assets and liabilities not readily apparent from other sources. The key judgements and sources of estimation that have a significant effect on the amounts recognised in the financial statements include:

Critical accounting estimates and assumptions:

The Charity receives monthly fees for the provision of broadcasting services. Revenue receipts and deferred income are accounted for in accordance with FRS 102 with, for example, any receipts for work not yet performed being treated as deferred revenue as estimated by management.

Useful economic lives of operational fixed assets

As explained further within the tangible fixed assets policy - buildings, plant, machinery and vehicles held by the Charity are depreciated from acquisition based on their useful economic life, so as to write-off the cost of the asset less any residual value (if any). Judgement is required to assess the length of the life, and this is evaluated based on past experience, asset classification and condition reviews. Depreciation rates for classes of assets are reviewed annually, to ensure they remain appropriate with reference to external and internal factors, including the level of proceeds (and resulting profit/losses) recognised on disposal of such items.

Valuation of foreign currency forward contracts

Foreign currency forward contracts are fair valued using observable forward exchange rates corresponding to the maturity of the contract, as judged by management depending on materiality of the transactions.

4. Income from charitable activities

The income for the year was attributable to the Charity's objects as described in it's Memorandum of Association. Incoming resources receivable from charitable trading activities during the year were as follows:

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Incoming resources from charitable activities	27,188	27,188	26,662

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. Income from charitable activities (continued)

The majority of the income resulted from activities delivered overseas.

During the year, the Charity provided services under contracts with the Ministry of Defence for the provision of television, radio, training and cinema services. These activities accounted for approximately 90% (2022: 92%) of the total income for the year. Services and supplies provided to the Forces on operations or stationed in the UK or overseas, but not under contract to the Ministry of Defence, include the operation and management of 11 cinema services (2022: 11) located in Cyprus, The Falkland Islands and the United Kingdom.

On occasions, the Charity benefits from the provision of content as additional support from third parties. Although it is not possible to reliably measure the value of this support, it is much appreciated and helps BFBS provide the strongest possible range of services to the Forces.

5. Income from other trading activities**Income from non charitable trading activities**

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Trading income	1,025	1,025	1,161

Trading income relates to income generated by the subsidiary, BFBS Media Limited, from which all profits are donated to BFBS.

6. Investment income

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Dividends and interest receivable from fixed asset investments	1,102	1,102	951

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Resources expended

	Grants 2023 £000	Direct costs 2023 £000	Support costs 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Costs paid to external parties in respect of charitable activities	-	25,678	4,350	30,028	28,958
External grants made in respect of specific requests	321	-	-	321	245
	<u>321</u>	<u>25,678</u>	<u>4,350</u>	<u>30,349</u>	<u>29,203</u>

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Staff costs	2,579	2,579	2,404
Depreciation	183	183	180
Other support costs	1,588	1,588	2,564
	<u>4,350</u>	<u>4,350</u>	<u>5,148</u>

Resources expended in Governance costs

Governance costs total £227,000 (2022: £213,000) and include £185,000 (2022: £174,000) in respect of a proportion of senior management remuneration.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Resources expended (continued)

	2023 £000	2022 £000
Auditor's remuneration:		
- Fees payable for the audit of the Charity's and Group annual accounts	35	27
- Fees payable for taxation compliance services	2	2
- Fees payable for other services	11	6
Depreciation of owned fixed assets (excluding buildings)	1,201	1,290
Depreciation of buildings	161	160
Hire of plant and machinery	65	38
Other operating leases	-	597
Foreign exchange (gain)/loss	(217)	28
Profit on disposal of tangible fixed assets	(10)	(4)
Profit on disposal of investments	-	(5)
Trustee and employee costs	14,044	13,116
	15,292	15,255

8. Staff costs

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Wages and salaries	12,023	11,261	12,023	11,261
Social security costs	1,261	1,124	1,261	1,124
Contribution to defined contribution pension schemes	760	731	760	731
	14,044	13,116	14,044	13,116

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. Staff costs (continued)

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

	Group 2023 No.	Group 2022 No.
Activities in furtherance of the Charity's objects	249	247
Management and administration	8	8
	257	255

The remuneration of the Senior Management Team is set by the Remuneration Committee of the Board of Trustees, which consists of non-executive Trustees.

No Trustee or persons with a family or business connection with a Trustee, received remuneration or benefits in the year, directly or indirectly from the Group. An amount of £1,479 for expenses (2022: £975) was reimbursed to 4 Trustees (2022: 3).

The nature of the expenses was travel and subsistence.

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

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	17	9
In the band £70,001 - £80,000	9	8
In the band £80,001 - £90,000	2	3
In the band £90,001 - £100,000	2	2
In the band £100,001 - £110,000	1	2
In the band £110,001 - £120,000	1	1
In the band £120,001 - £130,000	1	2
In the band £130,001 - £140,000	1	1
In the band £140,001 - £150,000	1	-
In the band £150,000 - £160,000	-	1
In the band £160,000 - £170,000	1	-

Contributions totalling £189,876 (2022: £166,503) were paid in respect of 36 (2022: 29) higher paid employees in the year relating to the defined contribution scheme.

The Trustees consider key management personnel to comprise the members of the Senior Management Team. The total employment benefits, including employer pension contributions, of the Senior Management Team were £1,207,495 (2022: £1,069,509).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. Grant payments

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Big Salute	14	14	14
Live Entertainment	84	84	123
Combined Sport	100	100	-
Navy	15	15	-
Other grants made to the Forces	108	108	108
	321	321	245

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. Tangible fixed assets**Group and Charity**

	Long-term leasehold property £000	Short-term leasehold property £000	Equipment £000	Assets under the course of construction £000	Total £000
Cost					
At 1 April 2022	1,914	6	15,496	454	17,870
Additions	12	-	43	1,032	1,087
Disposals	-	-	(35)	(212)	(247)
Transfers between classes	-	-	654	(654)	-
At 31 March 2023	1,926	6	16,158	620	18,710
Depreciation					
At 1 April 2022	593	6	12,889	-	13,488
Charge for the year	304	-	1,058	-	1,362
On disposals	-	-	(35)	-	(35)
At 31 March 2023	897	6	13,912	-	14,815
Net book value					
At 31 March 2023	1,029	-	2,246	620	3,895
At 31 March 2022	1,321	-	2,607	454	4,382

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Fixed asset investments

Group and Charity	Investments £000
Valuation	
At 1 April 2022	31,411
Revaluations	(1,226)
At 31 March 2023	30,185
Net book value	
At 31 March 2023	30,185
At 31 March 2022	31,411

Principal subsidiary

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
BFBS Media Limited	03665251	Chalfont Grove, Narcot Lane Chalfont St Peter, Gerrards Cross, Buckinghamshire, SL9 8TN	Television programming and broadcasting activities
Holding	Included in consolidation		
100%	Yes		

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Fixed asset investments (continued)

	2023 £000	2022 £000
UK equities (listed)	17,840	18,642
Overseas equities (listed)	11,899	12,432
Fixed interest and cash	446	337
	30,185	31,411

12. Debtors

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Due within one year				
Trade debtors	973	3,335	661	3,191
Amounts owed by Group undertakings	-	-	308	185
Other debtors	8	-	8	-
Prepayments and accrued income	1,325	1,583	1,267	1,496
Fair value of foreign currency contracts	-	114	-	114
	2,306	5,032	2,244	4,986

13. Cash at bank and in hand

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Bank and cash balances	1,446	492	1,403	429
Investments - bank deposits	69	118	69	118
	1,515	610	1,472	547

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Creditors: amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Trade creditors	1,006	1,342	1,006	1,342
Other taxation and social security	887	907	857	904
Other creditors	124	136	126	136
Accruals and deferred income	1,233	1,493	1,156	1,387
	3,250	3,878	3,145	3,769

Deferred incoming resources are recognised when the applicable service has been provided. The movement in deferred income is analysed below:

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Deferred income at start of the year	556	706	455	619
Amounts recognised in the current year	(556)	(706)	(455)	(619)
Amounts deferred in the current year	360	556	336	455
Deferred income at the end of the year	360	556	336	455

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Financial instruments

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Financial assets				
Financial assets measured at fair value through income and expenditure	31,700	32,135	31,657	32,072
Financial assets that are debt instruments measured at amortised cost	1,109	3,499	1,047	2,680
	32,809	35,634	32,704	34,752
	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Financial liabilities				
Derivative financial instruments measured at fair value through income and expenditure	-	-	-	-
Financial liabilities that are debt instruments measured at amortised cost	(2,363)	(2,415)	(1,951)	(2,410)
	(2,363)	(2,415)	(1,951)	(2,410)

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and amounts owed by the subsidiary undertaking.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to the subsidiary undertaking.

Financial assets/(liabilities) measured at fair value are cash, listed investments and foreign currency forward contracts. Listed investments are stated at their mid-market values as at the balance sheet date. The fair value of currency forward contracts have been determined using observable forward exchange rates corresponding to the maturity of the contract.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. Unrestricted funds - Charity and Group**Unrestricted funds - current year**

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2023 £000
Unrestricted funds					
General funds	37,557	29,315	(30,995)	(1,226)	34,651

Unrestricted funds - prior year

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2022 £000
Unrestricted funds					
General funds	36,174	28,774	(29,956)	2,565	37,557

17. Contingent liabilities

There are no contingent liabilities as of 31 March 2023 and 31 March 2022.

18. Capital commitments

At 31 March 2023 the Group and the Charity had capital commitments of £Nil in relation to assets in the course of construction (2022: £Nil).

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. Operating lease commitments

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

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Land and Buildings				
Not later than 1 year	371	419	371	419
Later than 1 year and not later than 5 years	1,463	1,463	1,463	1,463
Later than 5 years	363	734	363	734
Later than 5 years	2,197	2,616	2,197	2,616
Not later than 1 year	29	70	29	70
Later than 1 year and not later than 5 years	15	42	15	42
	2,241	2,728	2,241	2,728

20. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the Group.

Transactions in respect of Trustees' expenses are disclosed in note 8.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

PATRON, TRUSTEES AND EXECUTIVE MANAGEMENT

PATRON

Her Majesty The Queen

BOARD OF TRUSTEES

CHAIRMAN

Major General Chris Wilson CB CBE

VICE CHAIRMAN

Howard Perlin MBE FCA

TRUSTEES

Captain Graham Robinson RN

Tony Hales CBE

Deborah Loudon

Rear Admiral Anthony Rix RN CB

Helen Depree

Darren Long

Vanella Jackson

David Moody

Niall MacGinnis

SECRETARY

David Hamilton FCA

LIFE VICE-PRESIDENTS

Lieutenant General Sir Roderick Cordy-Simpson KBE CB

Michael Andrae Hon. FCIM

Air Vice-Marshal Andrew Vallance CB OBE

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

PATRON, TRUSTEES AND EXECUTIVE MANAGEMENT (CONTINUED)

EXECUTIVE MANAGEMENT

CHIEF EXECUTIVE
Ben Chapman

DIRECTOR OF FINANCE
David Hamilton FCA

DIRECTOR OF FORCES BROADCASTING & ENTERTAINMENT
Nicky Ness

DIRECTOR OF DIGITAL CONTENT & TRAINING
Adam Waters

DIRECTOR OF EDITORIAL CONTENT
Lisa Mitchell

DIRECTOR OF TECHNOLOGY
Ryan Lambert

DIRECTOR OF DEVELOPMENT & STRATEGY
Nick Beer

DIRECTOR OF HUMAN RESOURCES
Laura Smith

Registered office: Chalfont Grove, Narcot Lane, Chalfont St Peter, Gerrards Cross, Bucks, SL9 8TN

BFBS

England & Wales - Charity number 233480

Accounts

Registered number: 00407270
Charity number: 233480

BFBS
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

BFBS

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BFBS

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Company registered number	00407270
Charity registered number	233480
Registered office	Chalfont Grove Narcot Lane Gerrards Cross Buckinghamshire SL9 8TN
Websites	www.bfbs.com www.forces.net
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants 16 Great Queen Street Covent Garden London WC2B 5AH
Bankers	HSBC Bank plc 65 Packhorse Road Gerrard Cross Bucks SL98PH
Solicitors	Bates Wells 10 Queens Street Place London EC4R 1EY KLC Employment Law Consultants LLP Mill Pool House Mill Lane Godalming Surrey GU7 1EY
Investment managers	BlackRock Investment Managers 12 Throgmorton Avenue EC2N 2DL M & G Investments 10 Fenchurch Avenue London EC3M 5AG Investec 30 Gresham Street London EC2V 7QP

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The Board of Trustees of BFBS has pleasure in presenting its report, which incorporates the strategic report, on the activities and results for the year ended 31 March 2022.

Her Late Majesty Queen Elizabeth

The Trustees and staff of BFBS were deeply saddened by the death of Her Late Majesty Queen Elizabeth. She was an inspirational figurehead for the entire nation and will be greatly missed.

As their Commander-in-Chief and, having herself served during the Second World War, Her Late Majesty was held in the highest esteem by all in the Armed Forces world.

Our aims and how our activities deliver public benefit

Our Charity's aims are to promote the efficiency of HM Armed Forces ('the Forces') through the provision of services related to entertainment, information, education, welfare and training.

Our activities deliver benefit through:

- Providing dedicated radio and TV channels for Forces personnel and their families, whilst stationed or deployed abroad;
- Providing local radio channels in military bases in the UK together with a national BFBS service on DAB+, online, via mobile apps and through Sky and Freesat;
- Creating Forces related video and social media content for distribution across a wide range of digital platforms;
- Showing films in military bases throughout the UK and overseas;
- Staging entertainment shows;
- Running training courses for serving personnel, veterans, military spouses and military charities; and
- Providing video production and digital support services to the Ministry of Defence ('MoD') and military charities.

Taken together the cumulative impact of all our activities is to provide a critical component in the maintenance of morale of the Forces and their families.

Achievements and performance

BFBS services have played a vital part in supporting the wellbeing of Forces communities globally during a second year of Covid restrictions. Live and local content, the latest information and advice and BFBS' role in enabling Commanders to directly reach their communities have all been highly valued.

"Thank you BFBS for twelve months of excellent community support... You are a key part of our 'One Team'. As we find ourselves today in a (third) national lockdown, BFBS remains an absolutely vital communication tool to ensure our whole community, military and civilian, young and old, British and Cypriot, hear what they need to know to help them through this pandemic. For many, BFBS has been a real lifeline, providing comfort, entertainment and essential information in equal measure. You have a great team...full of emotional intelligence and inherently flexible...fun to work with, generating ideas and absolutely prepared to challenge us when needed. Many thanks from a grateful community." Maj Gen RJ Thomson, Commander of British Forces, Cyprus.

As one global crisis eased towards the end of our reporting year, another started with Russia's invasion of Ukraine, which saw our BFBS teams move to an operational footing. With a significant increase in the number of UK Forces personnel deployed to Eastern Europe, the requirement to support them in the provision of BFBS services was an urgent one. Our technical team displayed considerable agility and ingenuity in their prompt response and in a series of visits to the region have successfully rolled out BFBS TV, Radio, Cinema & online newspaper services.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Alongside this effort, we have assisted the MoD in providing them with digital media and graphics expertise as part of their communications effort on the conflict. In addition, importantly, we are also pleased to have been able to support the rear party of families left behind. Live entertainment, goodie bags and visits from the BFBS Ice Cream van have all played a part in maintaining morale while serving personnel parents are on deployment.

Finally, we are delighted to report that the value BFBS provides to the UK Forces community has recently been recognised in the most tangible of forms by the MoD who have agreed to extend our contract by 3 years to 31 March 2026. The certainty provided by this decision leaves the charity well placed to further develop and strengthen our full range of services in support of our Forces beneficiaries.

Broadcasting

The focus of our audio output over the last 12 months has been fun, music and entertainment - uplifting and adding to morale - as well as reflecting current events. There were special programmes for the Euro Championships as we broadcast live from Scotland and Germany for each big football game involving a home nation. BFBStival, the on air music festival we ran in 2020 during the Covid pandemic, was staged in 2021 too, featuring exclusive interviews and DJ sets from Joel Corry, Noel Gallagher and Jack Savoretti. At Christmas, we handed over the airwaves to Travis, Tom Walker, Frank Turner and JLS, amongst others, and included special messages of support for the Forces community.

At the beginning of 2022, we asked our audience what kind of new, automated, radio station they would like and they voted overwhelmingly for 'BFBS Best of British' which plays only British artists 24/7. We tied in the launch of the new station with a refresh of our radio app, which brought new functionality to improve the user experience, including the ability to see up to date schedules, catch up on programmes and listen to our latest podcasts.

Our podcast team have worked on a series of projects, with highlights including our unique look at the impact of music within the military community – War & Peace and Rock & Roll. Elsewhere, topics reflected in our podcast output included Black History Month and our series for lovers of military aviation, MavGeeks, where we even managed to talk to Father Christmas for a one off special. We also released a series both on air and in podcast form, Op Granby – The Storm In The Desert, to recognise the 30th anniversary of the start of the 1991 Gulf War.

Our people and their work continue to be recognised by the audio industry with award wins and nominations. In the Community Radio Awards we scooped 5 on the night, the most of any entrants, which included Best Male Presenter and an award for our response to Covid.

Innovation and a closely collaborative working relationship with our radio industry colleagues is important in ensuring that opportunities from new technology and platforms are leveraged to benefit BFBS audiences. By way of an example, we have taken the opportunity to expand into Small Scale DAB (SSDAB) as part of a joint venture to carry local services across Salisbury City and the Plain. The new multiplex was launched at the end of March 2021, only the second to be formalised within the UK, and we are proud to be part of a pioneering group looking at new ways of making a broad variety of content accessible to the most diverse audiences possible.

Our national BFBS Radio service saw excellent engagement with audience figures of just over 1 million monthly listeners in the UK. The role of the station is to reach the widest set of listeners to both entertain, connect and inform the military community and also champion the work they do to the wider general public.

We continued to support the expansion of the Brigade of Gurkhas within the British Army and provided a transmitter to carry BFBS Gurkha Radio in Bulford. We were also able to add this station to the SSDAB multiplex in Salisbury as an additional way of engaging with the significant Nepali community based on the Plain. Following several years of trying to solve a problem for coverage for Gurkha families in Dover, we were accepted on to an Ofcom trial and now bring services to them via Low Power FM at long last.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

BFBS TV for the overseas Forces community continues to be hugely valued as a service which provides entertainment, information and, crucially, a 'link with home'. Over the last year we have significantly broadened our range of live and on-demand programming with this expanded choice including up to a month's worth of UK prime time content.

"Thank you for enabling me to watch UK TV whilst I'm abroad with my husband on his overseas posting. It keeps me in touch with home and I really appreciate it". PG, Canada.

Premium sport content remains extremely popular with BFBS TV audiences. We work closely with DAZN and Matchroom, to bring boxing title fights, alongside renewed, unique, relationships with Formula 1, the Premier League, Sky Sports, BT Sport, UFC, Cage Warriors and Amazon Prime Video. Technical innovation has also played an important role in strengthening our sports offering by establishing additional 'pop-up' streaming channels. On one particular occasion this allowed us to show six live Premier League games simultaneously.

"...Many thanks for your great service... a valuable way of getting access to sporting events and programmes from home which give a bit of normality to some very appreciative sailors". JV, HMS Prince of Wales.

The flexibility to adapt our TV service to meet specific requirements has been particularly in evidence over the last year, bringing additional value. Following on from a request from the Royal Navy, BFBS TV was used to broadcast the Second Sea Lord's Town Hall briefing to all personnel globally, including those at sea. Similarly, when the Commander of British Forces asked the team to consider bespoke programming around the anniversary of The Falklands conflict, we were delighted to do so. The resulting programmes included live broadcasts of two moving memorials from the Falkland Islands, 40 years after the war. These were also streamed live back in the UK, allowing the many veterans who were unable to travel to be part of the commemoration.

The sad loss of HRH The Duke of Edinburgh had a particular resonance for the military community with which he was so closely associated. Our special one-hour programme, The Real Prince Philip: A Royal Officer, was originally intended for schedules to mark his 100th birthday but instead now formed the centre piece of BFBS TV's obituary coverage. The programme also reached a wide national UK audience, having been acquired by Channel 4, who screened it on 11th April 2021.

The BFBS Forces News team have completed their transition to a digital model. This approach focuses on video storytelling in short, compelling, packages available through a wide range of digital platforms. The new model represents a stronger proposition, particularly for serving Forces audiences, and we are pleased to see this validated by the increasing reach of our content with, for example, our YouTube channel exceeding 600,000 subscribers.

With the closure of our Freeview platform, Forces TV, our UK channel ceased broadcasting on 30 June 2022. The channel has served our UK audience well since it launched in 2014 but with digital transformation completed, the most effective way to reach wider audiences and, particularly, serving Forces personnel and their families is now through digital platforms. In addition, of course, all our content continues to be available to overseas based audiences on BFBS TV.

From the content perspective, towards the end of the reporting year the major story was, of course, the invasion of Ukraine, while in 2021, it was Operation Pitting (the withdrawal from Afghanistan). While BFBS' coverage of Op Pitting was prominent, our practical help went much further than that with the installation of TV's, free Sky packages, tea and biscuits to support members of the Forces returning from Afghanistan and into decompression and quarantine. For many serving personnel and, often even more so, veterans, the withdrawal after 20 years and the loss of 454 British lives was a traumatic event. BFBS reflected this in its on-air and website content over many weeks, with signposting to mental health support and other aid.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Digital transformation has also proved to be a powerful enabler in allowing us to strengthen our coverage of Forces Sport. Live streaming of inter services matches, with professional commentary and camera operators, has proved to be hugely popular and has enabled events to reach audiences of many thousands. We were particularly pleased to be able to step in and provide coverage of the Army v Navy rugby match at Twickenham, when the previous broadcaster stood down - over 100,000 watched it live.

BFBS Academy

Our most recent tranche of veterans graduated with a HNC qualification from the BFBS Academy in August 2021, following their one-year Creative Media Production course. This unique initiative has supported 51 veterans since it started with over 85% of them going on to establish new careers in the media industry.

The initiative was entirely funded by charitable grants from a mix of different sources comprising the LIBOR Fund, ABF The Soldiers Charity, the Veterans Foundation and the Royal British Legion. On behalf of all our veteran beneficiaries we would like to thank our charity partners for their support.

The Academy team have since focussed in devising new courses more targeted at specific skills gaps in the creative market for veterans. These include a Production Managers course, which was launched in September 2022 and a photography course, which we have developed in collaboration with the Army's Chief Photographer.

We have also continued to deliver bespoke media training courses to MoD staff, including serving personnel and civil servants and we are pleased to have added the Defence Science Technology Laboratory to our list of clients this year.

Our Social Media Spouses programme, funded by the Armed Forces Covenant Trust, continues to go from strength to strength. With lockdown restrictions easing we were delighted to be able to put on live events again, starting with our second 'SMSLive' event in Harrogate. This empowering day gave military spouses an opportunity to learn new skills, make connections and develop collaborations.

The challenges experienced by military spouses and the benefits they obtain from the programme come through strongly in the many testimonials we receive, including this from Elizabeth, one of our graduates:

"I was lucky enough to be part of the #SMSpouses programme and I can honestly say this course helped transform my life. It opened my eyes to a whole world of e-opportunities that can fit around military life and the unique challenges that come with being a Submariner's wife. Before #SMSpouses I didn't even feel part of the wider naval community as we don't live on a patch, but what I found when I got on to this course was an entire military community of spouses from all Services who are bursting with ideas and initiative and are ready and willing to support each other. For the first time in years, I felt like the immense personal sacrifices I have made in order to support my husband, were finally being both recognised and rewarded."

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

BFBS Creative

In recent years, we have taken the opportunity to deploy our media expertise and unique understanding of the military to support Forces personnel and UK Defence more widely. We do so through our communications agency, BFBS Creative, which has delivered a number of major campaigns, including:

- 'Cyber Confident' – an initiative to improve cyber security skills. We produced videos, podcasts, and even a game show to help educate the Forces and MoD civil servants about cyber risks;
- '#TimeToTalk' campaign within the Army to promote the mental wellbeing of those serving;
- Strategic Command videos and related content;
- MoD People initiatives on Defence Safeguarding, Future Accommodation Model and Flexible working;
- Support of the Army's annual hackathon at the BattleLab in Dorset with live streaming and video content production;
- RAF recruitment marketing support; and
- The set up, running and streaming of an e Sports tournament at Armed Forces Day in Scarborough.

In addition, we work with our fellow military charities and this year produced powerful narrative videos for RNRMC and RFEA to tell the stories of the tremendous support these organisations provide for their beneficiaries.

We have also been delighted with the success of our own online content – including 'Tea and Medals' our most popular podcast / video series to date. In this series, veteran and BFBS Academy graduate, Darren Coventry sits down with people, who have been awarded military honours to hear their stories.

BFBS Cinemas

BFBS Cinemas fully re-opened their doors post Covid to support Forces communities with the very latest film releases, seeing almost 30,000 seats filled with film fans in 21/22. We have also been focusing on more diverse scheduling and responding to requests from our community, including a number of Bollywood films.

BFBS welfare grants for hardware purchases have played an important part in ensuring that cinemas have been able to continue operating. These have included support with a replacement server in Cyprus, a new amp in Northern Ireland and digital screens in the cinema foyer in the Falklands, allowing the local military community to stay better informed of what's screening at their local BFBS Cinema.

While Covid restricted the use of our Movie Machine (an 80-seater mobile cinema), we were still able to host some very special screenings of 'No Time to Die' for the Ships' company of HMS Dragon, which appeared in the film itself. The Movie Machine was able to park up alongside the ship in Portsmouth Naval Base and offer two free screenings the same day the film was released across UK Cinemas.

"We're extremely impressed by the 'Movie Machine' mobile cinema – what an incredible facility! To be able to step onto the jetty and enjoy 'No Time to Die' on the day of its general release is such a privilege" Lt Cdr James Wagstaffe (Weapon Engineer Officer) HMS Dragon.

Around the same time, we also organised a morale boosting day for patients, staff and families at the Defence Medical Rehabilitation Centre in Stanford Hall, Loughborough - where we provided two free screenings of 'No Time to Die'.

Our portable cinema system, Cinelink has continued to support remote and isolated military communities, with a particular focus on overseas operational areas. The service reacted to multiple requests including supporting the Royal Navy's Carrier Strike Group on its deployment throughout 2021. The service brought movies to remote audiences just 6 weeks after release and boosted morale with movie nights – a valuable shared viewing experience, loved by all.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

BFBS Live Events

The pandemic continued to impact BFBS Live Events through spring and summer 2021 with units planning and then cancelling events due to Covid. Slowly confidence grew and through late summer and autumn we began to move forward with outdoor events, including RAF family days, awards ceremonies and cultural days.

The team also got out of the country for the first time since March 2020 when they staged an event for HMS Queen Elizabeth and other vessels from the Carrier Strike Group, on the final leg of Op FORTIS whilst they were alongside in Duqm, Oman in November 2021. An audience of approximately 1,000 officers and sailors filled the dockside with the backdrop of the QE behind the stage to enjoy a very well-received night of comedy and music.

"The work that BFBS Live does is absolutely crucial in terms of boosting morale. We could not be more grateful for the time, effort and funding that went into our event. It means a lot to us that the work we have done throughout the deployment has been recognised by the wider community – the event will definitely be remembered as one of the genuine highlights of Operation FORTIS." Cdr Law, HMS QUEEN ELIZABETH.

As always, experimenting with new kinds of content as well as getting creative for specific audiences and adding value to communities remains a cornerstone of delivery, including for a special summer event in Aldershot.

"As the senior lead for Fijians in Defence and host of the recent very successful Fijian Bula Festival, I write to convey my gratitude to BFBS for your generosity and support towards the event. You might be aware that Fijians are second only to the Gurkhas in terms of numbers of non-British nationals currently within Defence. Their contributions are well documented but not widely known within the organisation or nationally and so the Bula Festival was a great opportunity to address this deficit.... Your contribution was monumental and provided a focus point for the whole event. It enabled the coordination of the day's programme, and the live band brought the spirit of the islands into Queen's Avenue." Major General David Eastman, MBE

The Live Event team saw a short hiatus in delivery across late winter as the omicron variant gave cause for concern, with several more events postponed or cancelled. Since then, spring/summer 2022 saw an exponential rise in requests for live shows and the team was inundated with tasking for events across the rest of the year.

BFBS 'Big Salute' Campaign and the BFBS Welfare Fund

Although adversely impacted by Covid restrictions, fundraising for the BFBS Big Salute campaign still reached £30,000 through the combined efforts of our staff and military audiences.

Funds from last year's campaign were awarded to a range of charities for specific projects, including:

- Specialist equipment for blind RAF veterans;
- The setting up of a Homeless Veterans' Cycle Club in Liverpool;
- Supporting Rugby for Heroes in planning a coaching course for service leavers;
- The refurbishment of a 1960's kitchen at the Sunderland branch of the Royal Naval Association to host a Veterans Club;
- Specialist equipment for veterans suffering from hearing damage as a result of their active service; and
- Support in establishing a programme of activities for limbless and injured veterans.

"Generous funding of £5,000 from the BFBS Big Salute has helped Blesma deliver a new programme of at-home, online and physical activities to help our limbless and injured veterans, their widows and families in communities UK-wide. Thanks to your support, we have delivered activities to help 240 participants". BLESMA.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Total grants from the BFBS Welfare Fund were £245,000 which supported a wide range of projects including:

- Refurbishment of the Astra Cinema in Akrotiri;
- Audio visual equipment for a sports and social club at the Duke of Gloucester barracks;
- PS games and table tennis equipment for personnel on Op Tangham;
- Support of the 'Polar Preet' Antarctic expedition;
- Big screens for Royal Navy personnel in Bahrain to show the Euros and the British Lions tour;
- Sound stage at Armed Forces Day in Gibraltar;
- Funding of courses in grief and loss for the families of the 16 Signal Regiment;
- Cinema equipment in Northern Ireland, Cyprus and the Falklands; and
- Support of a Christmas market and grotto in Canada.

"...thank you to all at BFBS Canada who helped and supported the Christmas market. Without the grant we would not have been able to hire a professional Santa and create a grotto for him and Mrs Claus. With the grant we were also able to provide treats and a letter for the children visiting Santa. Thank you for being extremely supportive...without your help promoting it via the radio too I feel the footfall may not have been so popular! What a wonderful idea too to record Christmas messages for people back home". Fiona Coaton, Event Organiser

Support of Combined Services Sport continues to be a high priority for the BFBS Welfare Fund. With Covid restrictions resulting in widespread cancellation of events in the prior year, unspent grants awarded in the year 2020/21 were carried forward to 2021/22. Events supported during the year included Athletics, Basketball, Cricket, Football, Golf, Hockey, Ice Hockey, Indoor Climbing, Judo, Tennis, Martial Arts, Netball, Sailing, Squash, Swimming and Winter Sports.

The BFBS Ice Cream Van is a hugely appreciated part of our welfare support to the Forces community, sprinkling magic (and sometimes flakes) with free visits to units across the UK. As Covid restrictions eased towards Autumn 2021, we saw an extremely busy period attending more than 50 events at separate locations.

"Being served Ice Cream from a Camo Ice Cream Van is brilliant and thoroughly enjoyed by all attending the medals parade, but to then deliver ice cream to the local primary school of which 97% are service children, was just superb! I appreciate it was a super long day and lots of effort from the BFBS team, it is hugely appreciated, and we are grateful as a regiment for your support". Capt Paul Franks, 9 Regt RLC.

Ethics and Sustainability

Our Trustees act in a way to promote the success of BFBS in delivering on our charitable aims to the benefit of the Forces community. Conducting our activities on a strictly ethical basis, with due regard to the interests of other stakeholders and the wider community, is fundamental to ensuring the longevity of the Charity and the support we provide to our beneficiaries.

This approach is consistent with that required under Section 172(1) of the Companies Act 2006 and ensures that due consideration is given to the:

- likely long-term consequences of decision making;
- interests of our employees;
- need to foster strong relationships with customers, suppliers and other stakeholders;
- impact of our activities on the community and the environment; and
- importance of maintaining a reputation of high standards of business conduct.

In line with this approach BFBS has formally committed to becoming a carbon net zero organisation by 2050 or sooner. Our Carbon Reduction Plan is published on our website and further details are provided later on in this report.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Employees

We apply an approach of comprehensive communication and engagement with our employees to ensure that they are aware of all issues that affect them, including the operational and financial performance of the Charity. This is done through a range of mechanisms, including fortnightly newsletters, staff surveys, departmental meetings and all Staff 'Town Hall' meetings.

Engagement with staff is helped further through our establishment of 5 employee groups, the Veterans, Belonging (diversity), Wellbeing, Women, and Green networks. These networks play an important role in strengthening the support available to employees and in ensuring that communication flows effectively throughout the organisation.

Our commitment to the support of our staff was reinforced further in 2021 with the appointment of our first, full-time, Wellbeing and Community Coordinator.

Customers, Suppliers and Other Stakeholders

Our approach in working with our customers, suppliers and other stakeholders is an open, collaborative and respectful one. As a Charity whose entire focus is on delivering the best possible set of services for the Forces community our aims are consistent with those of our principal customer, the MoD. As a not-for-profit organisation, our ability to offer maximum value for money (a key criteria in government procurement) is an important element in strengthening our relationships with our customers.

In working with suppliers we seek to build stable, long term, relationships to provide us with the best possible set of technology and content solutions to support the Forces community. Regular communication, the negotiation of effective and fair subcontracts and ethical commercial dealings, including prompt payment, all play a part in building trust and beneficial relationships with suppliers.

Financial Review

The financial statements reflect consolidated Group results for the first time as the activities of the trading subsidiary, BFBS Media Limited, have grown.

Total income was £28,774,000 up £1,110,000 (4.0%) on prior year, largely due to increases in income from other trading activities. In recent years, the Trustees have sought opportunities to grow revenue generated through the Charity's trading subsidiary, BFBS Media Limited, by offering media services to commercial organisations. The profits from these activities are remitted back to the Charity and are now providing a helpful additional source of funding to support the work we do for our Forces beneficiaries.

Total expenditure was £29,956,000 up £1,772,000 (6.3%) on prior year, as we invested in strengthening our services, particularly in BFBS TV and Online. The deficit for the year, before unrealised gains from investments and foreign currency forward contracts, was £1,182,000 (2021: £520,000).

Streamlined Energy & Carbon Reporting (SECR)

An important milestone was reached by BFBS in 2021/22 in formally committing to becoming a net zero carbon emissions organisation by 2050 or sooner.

Following on from this commitment, the first tranche of work was in assessing our greenhouse gas emissions and monitoring and reporting them in line with the Streamlined Energy and Carbon Reporting regulations (SECR).

Data was collected from invoicing and other reporting provided by our suppliers and also from information directly extracted from our financial accounting system. The conversion factors applied to this data to assess the emissions were taken from "Greenhouse gas reporting: conversion factors 2022" published by the Department for Business, Energy & Industrial Strategy.

BFBS

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

The measurements used for this report are divided into three separate sections:

- Scope 1 covers the emissions that we generate directly, including emissions from gas and electricity heating, plus any emissions from company owned vehicles;
- Scope 2 refers to emissions that we generate indirectly and is mainly purchased electricity; and
- Scope 3 covers emissions associated with our operations and includes activities such as business travel, staff commuting and downstream transportation and distribution for our commercial operations.

The data is shown in the table below and, since it is being included in our Trustees Report for the first time in 2021/22, we do not have comparative data for previous years. 2021/22 is therefore the Base Year for future reporting and comparison.

A wide range of initiatives are being scoped and planned to help BFBS reach its net zero target – many of them coming from ideas put forward by our staff. The Trustees look forward to providing updates on the progress made on these in our second year of reporting, 2022/23.

Table 1 BFBS SECR Return Financial Year 2021 / 2022

Source	Consumption kWh	Emissions kgCO ₂ e
Scope 1		
Purchased Gas	141,039	25,387
Refrigerants (All Sources)	-	15,053
Owned Vehicles	83,620	117,244
Scope 1 Total	-	157,684
Scope 2		
Purchased Electricity	31,720	164,027
Scope 2 Total	-	164,027
Scope 3		
Vehicle Travel	7,953	41,128
Air Travel	-	127,798
Rail Travel	-	1,109
Other Travel (Inc Taxi, Bus)	-	1,079
Employee Commuting	106,909	149,898
Upstream and Downstream Transportation	-	2,421
Waste	-	886
Scope 3 Total	-	324,319
Emissions Total	-	646,030
Carbon Intensity (Headcount)		2,530

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Plans for future periods

The Charity plans to continue to provide the full range of services to its beneficiaries, as currently contracted for with the MoD. In addition, we will continue to seek other sources of funding to support the development and delivery of new services for the Forces community, consistent with the aims of the Charity.

Key performance indicators

The financial performance of the Charity is closely monitored on a monthly basis by the Director of Finance with both revenues and costs being compared against the BFBS Board-approved budget for the year. The monthly management accounts are presented at each Board meeting together with a commentary on activity, revenue and expense variances.

Key performance indicators ('KPIs') covering the delivery, performance and quality of the services provided under contracts to the MoD have been defined and are monitored and reviewed jointly with the MoD on a monthly basis. With the opinions of our viewers, listeners and customers of paramount importance to the Charity, audience research surveys are the most significant of the KPIs. In that context, we are pleased to report that audience satisfaction ratings have been consistently over 90% throughout the year to 31 March 2022, far in excess of the minimum contractual level required of the Charity by the MoD.

BFBS is a quality broadcaster and committed to maintaining its high standards of service to its viewers and listeners. Quality Assurance programmes have been developed within the radio and television divisions and BFBS has ISO 9001 accreditation.

Investment policy and performance

Under the Memorandum and Articles of Association, the Charity has the power to make any investment that the trustees see fit. The objective of the Investment Policy is, on a low risk basis commensurate with the Charity's charitable status, to protect the capital value of the investment assets whilst generating an acceptable level of return from income and capital appreciation. BFBS will not invest directly in derivatives, or in unquoted securities, physical assets or property and will not engage in stock lending or underwriting. The Charity has an ethical investment policy to ensure that Environmental, Social and Governance considerations are taken into account by fund managers in devising their investment strategies.

The Investment Committee has considered the available options for investing surplus funds and has continued to engage the services of investment managers during the year. The majority of investments are in fully invested pooled funds. The Investment Committee regularly reviews the performance of the investment managers and meets with them when appropriate. The performance of the investment funds is monitored and measured against other Charity Common Investment Funds and the FTSE all share index.

The investment portfolio stood at £31,411,000 as at 31 March 2022, up £2,450,000 (8.5%) compared to 31 March 2021. This increase reflected the continuing recovery in equity markets.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Principal risks and uncertainties

The Board reviews, on an ongoing basis, the major operational, business and financial risks that the Charity faces. The audit committee also meets with the external auditors on a regular basis.

Senior management monitors all operational, business and financial risks that the Charity faces, and confirms that systems are in place to mitigate the significant risks.

The principal risks and uncertainties are as detailed below.

MoD Broadcasting Contract

A substantial proportion of the charity's revenue comes from the MoD Broadcasting Contract, which the MoD has recently agreed to extend by 3 years to end on 31 March 2026.

The securing of a new MoD contract beyond March 2026 will be critical in enabling BFBS to continue to provide TV and Radio services globally to the Forces community and so to comprehensively fulfil its charitable aims.

To help support the case for contract renewal the focus of our Trustees is on providing as strong as possible a range of services to the global Forces community. In addition, our senior managers work closely with the MoD, at all levels, to ensure that the value of the services we deliver are effectively communicated and that the priorities and requirements of our Forces audiences are clearly understood.

Inflation

High levels of inflation through 2022/23 and, potentially, beyond that too, will have an adverse impact on costs and could, ultimately, compromise the ability of BFBS to deliver on its full range of charitable activities.

By way of mitigation, Trustees review opportunities for cost savings and efficiencies, while also seeking opportunities to increase income from all available sources.

Cyber Security Risk

In common with many organisations, BFBS is vulnerable to cyber attack which, in the worst case, could compromise our ability to deliver services and / or risk the loss of confidential information.

To address this risk our Trustees embarked on a two year programme to review and strengthen our cyber security covering all aspects – processes, technology, staff awareness and training. This culminated in an external audit in April 2021, following which BFBS was awarded ISO27001 accreditation – the international information security standard.

Best practice in respect of information security is now firmly embedded throughout the organisation and is regularly reviewed, refreshed and audited to manage and mitigate cyber security risk.

Technology Investment

There is a risk that, without sufficient investment in technology in respect of both equipment and expertise, the Charity could be unable to deliver all the services required by the MoD for this contract or for a future one.

To mitigate this risk the Board has implemented a programme of technology refreshes in up-to-date transmission systems, studios, delivery platforms and other equipment. In addition, recruitment, retention and training programmes have been put in place to ensure the Charity has in-house technical personnel with the appropriate skills and expertise.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Covid / Future Pandemics

Our experience over the last two years has led us to implement new working practices which will help mitigate the risks posed by a new Covid variant or by any future pandemic. Staff are set up with IT equipment to work from home and we have introduced a hybrid working policy so that no more than 50% of staff are in the office at any one time – facilitating social distancing. All new cases of Covid are reported and tracked and staff who are unwell (for any reason) are asked to work from home until they have recovered.

Although, clearly, another pandemic could pose challenges for the delivery of our services, these mitigating steps should assist in minimising this risk.

Reserves policy

At 31 March 2022, the Charity held 'unrestricted funds – other charitable funds' totalling £37,557,000 (2021: £36,174,000). The Charity's policy is to maintain reserves at a level sufficient to ensure that there is no major disruption to our services for beneficiaries in the event of unforeseen increases in expenditure or reductions in income, whilst at the same time allowing investment in new projects designed to ensure the long term financial sustainability of the Charity. In the event of the loss of the MoD Broadcasting Contract, the maintenance of an adequate level of reserves would be particularly important in providing a continuing flow of investment income to fund charitable activities.

The Charity's operations are underpinned by its long-term contract with the MoD. The nature of this contract enables the Charity to forecast future revenues with reasonable certainty and costs continue to be controlled so as to ensure that total income from charitable activities approximately matches total outgoings. Consequently, the Trustees believe that the Charity is well placed to manage its operational risks successfully, despite the current uncertain economic outlook.

The Trustees therefore have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Charity uses various financial instruments including cash, equity investments, and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the Charity's operations.

The existence of these financial instruments exposes the Charity to a number of financial risks, which are described in more detail below.

The main risks arising from the Charity's financial instruments are market risk, liquidity risk, interest rate risk, cash flow and credit risk. The Trustees review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Market risk

Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. The Charity's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled "interest rate risk" below.

Liquidity risk

The Charity seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

A managed risk is the timing and advance funding of expenditure to provide charitable services, and the subsequent receipts from the MoD. An overdraft facility has been put in place so that, in the event of significant expenditures, these can be funded before the receipts from the MoD are obtained.

Currency risk

Forward exchange contracts for US dollars and Euros are used to manage currency fluctuations on purchases in foreign currency by entering into a forward exchange contract to match the future foreign currency commitment when due.

Interest rate risk

The Charity has an overdraft facility in place which is subject to variable interest rates. Rates are monitored closely and, if necessary, alternative sources of funding through the sale of investments are considered.

Cash flow and credit risk

The Charity's trade debtors principally represent amounts due from the MoD. In order to manage credit risk and to ensure prompt payment we have built up a strong relationship with the MoD and maintain regular contact with them throughout the period between the issue of invoices and the receipt of payments, resolving any issues or queries that may arise in the meantime.

Structure, governance and management

Charity Status

The Charity is a company limited by guarantee (company number 00407270) and is registered as a charity (Charity number 00233480). Members of the organisation guarantee to contribute an amount not exceeding £1 each to the assets of the organisation in the event of a winding up. The total number of such guarantees at 31 March 2022 was 11 (2021: 11).

Our Aims and Objectives

Our Charity's aims, as described in the Memorandum and Articles of Association, are to promote the efficiency of HM Armed Forces through the provision of services related to entertainment, information, education, welfare and training. These aims were developed further in the update of the Memorandum and Articles of Association as at September 2017, adding to advance the education of the Armed Forces Community for the benefit of the public, where the 'Armed Forces Community' comprises current service personnel, reservists, cadets, veterans, service leavers and civilians who work in direct support of the UK military.

Ensuring our work delivers our aims

Our activities are subject to continual review throughout the year by both the Board of Trustees and the Executive Team. This review process helps us to ensure that all our activities remain focused on our stated aims and objectives.

In this context the Board of Trustees can confirm that they have complied with their duty under section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in planning and implementing all the activities of the Charity.

Patron

The Trustees are delighted and honoured that The Queen Consort has become the Patron of BFBS. In a video to mark the occasion she said of BFBS *'spanning 15 time zones, from the deserts of the Middle East to the windswept Falkland Islands, you are a truly worldwide organisation that supports our service men and women wherever they may find themselves'*.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Organisation

A Board of Trustees, which meets five times a year, administers the Charity. There are sub-committees covering investment, audit, remuneration, Board and Senior Management nominations and the distribution of charitable funds:

- investment committee - meets regularly during the year. At each Board meeting, it reports to the Board on the performance of investments;
- audit committee - meets during the audit process each year, and on further occasions as required;
- remuneration committee - meets to determine senior staff remuneration at least once a year;
- nominations committee - meets no less than once a year to recommend any alterations to the Board that are deemed necessary and to appoint Senior Management; and
- welfare fund committee - meets as and when required to deal with requests received and reports to the Board at each Board meeting.

A Chief Executive is appointed by the Board to manage the day-to-day operations of the Charity. The other members of the Executive Team (see page 44 to 45) assist the Chief Executive.

Directors

All members of the Board are directors for the purposes of company law and trustees for the purposes of Charity law. All Trustees served throughout the year, except as noted below.

The Trustees are elected by the existing Board, which may, at any time, co-opt any person duly qualified to be appointed, as a member of the Board to fill a vacancy in their number. All proposed appointments are subject to approval by the Board. The Board shall include individuals who have held commissioned rank in the Forces and civilians with relevant business experience. The total members of the Board must number between 3 and 13.

Excluding the Chair, from time to time, each Trustee shall retire from office at the third annual general meeting following the commencement of his or her term of office. Retiring Trustees may be reappointed.

The membership of the Board is set out below:

Major General Christopher Wilson - chairman of the Charity, the nomination, remuneration and welfare fund committees and member of the investment and audit committees

Howard Perlin - vice chairman of the Charity, chairman of the audit committee, and member of the remuneration, investment and nomination committees

Captain Graham Robinson RN - chairman of the investment committee and member of the welfare fund committee

Tony Hales - member of the audit, investment, nomination and remuneration committees

Deborah Loudon - member of the nomination and remuneration committees

Rear Admiral Anthony Rix RN - member of the welfare fund committee

Helen Depree - member of the audit committee

Darren Long

Vanella Jackson

David Moody

Air Cdre Ian Tolfts – resigned 20 September 2022

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Trustee training and induction

All new Trustees undertake an induction programme on joining the Board. The aim of this programme is to introduce new trustees to the Charity's objectives, operations and governance arrangements. The induction programme includes a pre-appointment pack, meetings with senior management, a visit to the principal facility, presentations on key financial and operational areas and relevant documentation. Trustees are regularly updated on changes to charity and company law as well as changes to other legislation which have an impact on the Charity. Trustees are expected to remain updated with charity best practice.

Grants

A sub-committee exists to review applications for grants from the Forces. The review process includes ensuring that the provision of each grant is within the terms of the charitable objectives of the Charity.

The Charity continues to actively promote its welfare fund to the Forces by regular communication to the Directorates of Corporate Communications (DCCs) for each Service, direct communication with the Forces via the Charity's website and promotional features on BFBS radio and the main BFBS television channel.

Grants are awarded to units of the Forces in respect of worthy causes associated with education, training, welfare and entertainment needs. The welfare fund committee meets as and when required to deal with applications received and reports to the Board at each Board meeting. The Chief Executive and Director of Finance are authorised to approve individual grants with a value of less than £10,000, whilst the welfare fund committee is authorised to approve grants with a value of less than £50,000. Individual grants in excess of this value are approved by the Board. Grants are approved if the purpose is a worthy cause and is within the terms of the objectives of the Charity. During the financial year, 34 applications for grants were received, all of which were either partially or fully awarded. The average value of grants made during the year was £7,213.

Principal funding sources

The principal source of funding is the MoD for the services delivered under contract to them. Charitable grants from other organisations are the main source of funding for other charitable activities.

Disabled workers

It is the Charity's policy to follow the Government's guidelines on the employment of disabled workers as far as it is possible.

Statement of Trustees' responsibilities

The Trustees (who are also directors of BFBS for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

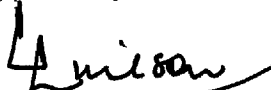
- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Auditor

Blick Rothenberg Audit LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Charity receives notice under section 488(1) of the Companies Act 2006.

Approved by order of the members of the board of Trustees on 6/12/22 and signed on their behalf by:


Major General Christopher Wilson
(Chair of Trustees)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS

Opinion

We have audited the financial statements of BFBS (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the Charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report, including the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report, including the Strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Companies Act 2006, Charities SORP (FRS 102), Charities Act 2011, Data Protection Act 2018, Charity Code of Governance and The Ofcom Broadcasting Code;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims;

BFBS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS (CONTINUED)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Blick Rothenberg Audit LLP

Mahmood Ramji (senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

16 Great Queen Street

Covent Garden

London

WC2B 5AH

Date: *8 December 2022*

BFBS

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Income from:				
Charitable activities	4	26,662	26,662	26,303
Other trading activities	5	1,161	1,161	477
Investments	6	951	951	884
Total income		28,774	28,774	27,664
Resources expended				
Trading expenses		388	388	101
Charitable activities:	7			
Investment management costs		152	152	147
Costs in respect of charitable activities		29,203	29,203	27,733
Governance costs		213	213	203
Total resources expended		29,956	29,956	28,184
Net expenditure before fair value movements		(1,182)	(1,182)	(520)
Fair value movements on investments		2,451	2,451	6,842
Fair value movements on foreign currency forward contracts		114	114	(732)
Net movement in funds		1,383	1,383	5,590
Reconciliation of funds:				
Total funds brought forward		36,174	36,174	30,584
Net movement in funds		1,383	1,383	5,590
Total funds carried forward		37,557	37,557	36,174

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

All funds are unrestricted.

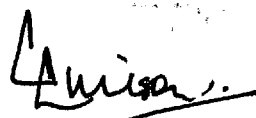
The notes on pages 26 to 45 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022**

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	10	4,382	5,519
Investments	11	31,411	28,960
		<u>35,793</u>	<u>34,479</u>
Current assets			
Debtors	12	5,032	3,856
Investments - bank deposits		118	617
Cash at bank and in hand		492	1,956
		<u>5,642</u>	<u>6,429</u>
Creditors: amounts falling due within one year	14	(3,878)	(4,734)
Net current assets		<u>1,764</u>	<u>1,695</u>
Total assets less current liabilities		<u>37,557</u>	<u>36,174</u>
Total net assets		<u><u>37,557</u></u>	<u><u>36,174</u></u>
Charity funds			
Restricted funds		-	-
Unrestricted funds		37,557	36,174
Total funds		<u><u>37,557</u></u>	<u><u>36,174</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 6/12/22 and signed on their behalf by:



Major General Christopher Wilson
(Chair of Trustees)

The notes on pages 26 to 45 form part of these financial statements.

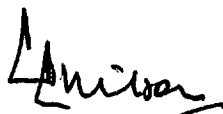
CHARITY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	10	4,382	5,519
Investments	11	31,411	28,960
		<u>35,793</u>	<u>34,479</u>
Current assets			
Debtors	12	4,986	4,268
Investments		118	617
Cash at bank and in hand		429	1,439
		<u>5,533</u>	<u>6,324</u>
Creditors: amounts falling due within one year	14	(3,769)	(4,629)
Net current assets		<u>1,764</u>	<u>1,695</u>
Total assets less current liabilities		<u>37,557</u>	<u>36,174</u>
Total net assets		<u>37,557</u>	<u>36,174</u>
Charity funds			
Restricted funds		-	-
Unrestricted funds		37,557	36,174
Total funds		<u>37,557</u>	<u>36,174</u>

The Charity's net movement in funds for the year was £1,383,000 (2021 - £5,590,000).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 6/12/22 and signed on their behalf by:


Major General Christopher Wilson
(Chair of Trustees)

The notes on pages 26 to 45 form part of these financial statements.

BFBS

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £000	2021 £000
Cash flows from operating activities		
Net expenditure before fair value movements	(1,182)	(520)
Adjustments for:		
Depreciation of tangible assets	1,450	1,574
(Profit)/loss on disposal of tangible assets	(4)	139
Profit on disposal of investments	(5)	(5)
Dividends received	(951)	(884)
(Increase)/decrease in debtors	(1,062)	711
Decrease in creditors	(856)	(248)
Net cash (used in)/provided by operating activities	(1,428)	1,287
Cash flows from investing activities		
Purchase of tangible fixed assets	(509)	(786)
Sale of tangible fixed assets	200	30
Purchase of investments	-	(392)
Sale of investments	5	385
Dividends received	951	884
Net cash provided by investing activities	647	121
Change in cash and cash equivalents in the year	(1,963)	888
Cash and cash equivalents at the beginning of the year	2,573	1,685
Cash and cash equivalents at the end of the year	610	2,573

The notes on pages 26 to 45 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. General information

BFBS is a Charitable Company limited by guarantee and incorporated in England and Wales. The address of its registered office and principal place of business is Chalfont Grove, Narcot Lane, Gerrards Cross, Buckinghamshire, SL9 8TN.

The financial statements are presented in Sterling (£), which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £'000.

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 Companies Act 2006.

BFBS 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 consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

2.2 Going concern

After reviewing the Charity's and Group's forecasts and their accompanying risks, the Trustees have a reasonable expectation that the Charity and Group have adequate resources to continue in operational existence for the foreseeable future and as a result they continue to adopt the going concern basis in preparing the Annual Reports and Accounts.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.3 Income

Income recognition

Income is recognised as the applicable services are provided and costs are recognised as incurred. Deferred income represents income received for which the applicable service has not yet been provided.

Activities in furtherance of the Charity's objects represent the total amount receivable by the Charity and the Group, excluding VAT, in the ordinary course of business for goods supplied and for services provided in broadcasting, live entertainment and related services.

Investment income

Investment income comprises interest receivable on short-term deposits and all investment income from fixed asset investments including reinvested income.

Voluntary income

Voluntary income is accounted for when the Charity has entitlement to the funds, the amount can be reliably quantified and there is reasonable certainty of its ultimate receipt.

Trading income

Trading income is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Trading income is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before trading income is recognised:

Sale of goods

Trading income from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of income can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Trading income from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of income can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.4 Expenditure

Resources expended

Liabilities are recognised as resources expended as soon as the Group has a legal or constructive obligation committing the Group to the expenditure. Resources expended are included in the Statement of Financial Activities ("SOFA") on the accruals basis, inclusive of any VAT which cannot be recovered. Resources expended under the charitable activities include all costs incurred by the Group in the delivery of goods and services directed at the achievement of its charitable objectives. These are disclosed in further detail in note 7 to the financial statements.

Grants made

Grants are expensed to the SOFA on the accruals basis and when specifically authorised.

Investment management costs

Resources expended under investment management costs are recognised on the accruals basis.

Governance costs

Resources incurred under governance costs include all specific costs of governance arrangements relating to the Charity and are recognised on the accruals basis.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more 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.

Depreciation is provided on the following bases:

Leasehold premises	- Length of the lease
Short-term leasehold property	- Length of the lease
Office equipment	- Between 3 and 5 years
Other fixed assets	- Between 3 and 5 years

2.6 Investments

Investments are included at market values provided by the fund managers at the balance sheet date. All gains and losses, whether realised or unrealised, are included in the SOFA.

The Charity also holds short term deposits for the purpose of liquidating into cash if the need arises, and these are included at market value. Such short term deposits are considered liquid resources by the Charity.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.7 Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts. Accrued income represents income receivable in respect of services provided.

2.8 Cash and liquid assets

Cash at bank and cash holdings within the investment portfolio includes cash and short-term highly liquid investments with an original maturity date of three months or less. The Trustees consider both cash held within its own bank accounts and balances held by our Investment Managers when considering the liquidity of the Group.

2.9 Liabilities and provisions

Liabilities are recognised when there is a legal and constructive obligation committing the Group to the expenditure. Creditors and provisions are normally recognised at their settlement amount after allowing for trade discounts due.

2.10 Financial Instruments

The Charity and Group recognise financial instruments when they become a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Charity's and Group's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate account with the loss being recognised within administrative expenses in the SOFA. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.10 Financial instruments (continued)

Fair value through profit and loss

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial liabilities

The Group classifies all of its financial liabilities as liabilities at amortised cost.

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.

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 Group and which have not been designated for other purposes.

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

2.13 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any provision for losses arising on impairment.

2.14 Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities in foreign currencies are translated at the rates ruling at the date of acquisition, or average rate if not materially different. Exchange differences are dealt with in the SOFA. Exchange gains and losses are allocated to the appropriate income or expenditure category.

2.15 Operating lease commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.16 Defined contribution pension scheme

The Charity recognises the contribution payable for a period;

- as a liability, after deducting any amount already paid.
- as an expense, unless another section of the FRS requires the cost to be recognised as part of the cost of an asset such as inventories or property, plant and equipment.

The pension costs are charged against profits are the contributions payable to the scheme in respect of the accounting period.

2.17 Taxation

As a registered Charity, income and capital gains of the Charity are generally exempt from tax if applied for charitable purposes.

2.18 Forward currency contracts

Foreign currency forward contracts are used to manage currency fluctuations on purchases in foreign currency by entering into a foreign currency forward contract to match the future foreign currency commitment when due.

Fair value movements in the valuation of outstanding contracts are recognised in the SOFA. Outstanding foreign currency forward contracts at the reporting date are included within debtors or creditors on the balance sheet depending on the year-end position.

2.19 Financial liabilities and equity instruments

Financial instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of the financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the income and expenditure account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Significant judgements and estimates

Preparation of the financial statements requires the Trustees to make significant judgements, estimates and assumptions about the carrying values of assets and liabilities not readily apparent from other sources. The key judgements and sources of estimation that have a significant effect on the amounts recognised in the financial statements include:

Critical accounting estimates and assumptions:

The Charity receives monthly fees for the provision of broadcasting services. Revenue receipts and deferred income are accounted for in accordance with FRS 102 with, for example, any receipts for work not yet performed being treated as deferred revenue as estimated by management.

Useful economic lives of operational fixed assets

As explained further within the tangible fixed assets policy - buildings, plant, machinery and vehicles held by the Charity are depreciated from acquisition based on their useful economic life, so as to write-off the cost of the asset less any residual value (if any). Judgement is required to assess the length of the life, and this is evaluated based on past experience, asset classification and condition reviews. Depreciation rates for classes of assets are reviewed annually, to ensure they remain appropriate with reference to external and internal factors, including the level of proceeds (and resulting profit/losses) recognised on disposal of such items.

Valuation of foreign currency forward contracts

Foreign currency forward contracts are fair valued using observable forward exchange rates corresponding to the maturity of the contract, as judged by management depending on materiality of the transactions.

4. Income from charitable activities

The income for the year was attributable to the Charity's objects as described in its Memorandum of Association. Incoming resources receivable from charitable trading activities during the year were as follows:

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Incoming resources from charitable activities	26,662	26,662	26,303

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4. Income from charitable activities (continued)

The majority of the income resulted from activities delivered overseas.

During the year, the Charity provided services under contracts with the Ministry of Defence for the provision of television, radio, training and cinema services. These activities accounted for approximately 92% (2021: 92%) of the total income for the year. Services and supplies provided to the Forces on operations or stationed in the UK or overseas, but not under contract to the Ministry of Defence, include the operation and management of 11 cinema services (2021: 12) located in Cyprus, The Falkland Islands and the United Kingdom.

On occasions, the Charity benefits from the provision of content as additional support from third parties. Although it is not possible to reliably measure the value of this support, it is much appreciated and helps BFBS provide the strongest possible range of services to the Forces.

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Trading income	1,161	1,161	477

Trading income relates to income generated by the subsidiary, BFBS Media Limited, from which all profits are donated to BFBS.

6. Investment income

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Dividends and interest receivable from fixed asset investments	951	951	884

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. Resources expended

	Grants 2022 £000	Direct costs 2022 £000	Support costs 2022 £000	Total funds 2022 £000
Costs paid to external parties in respect of charitable activities	-	24,055	5,148	29,203
External grants made in respect of specific requests	245	-	-	245
	<u>245</u>	<u>24,055</u>	<u>5,148</u>	<u>29,448</u>

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds (restated) 2021 £000
Staff costs	2,404	2,404	2,252
Depreciation	180	180	250
Other support costs	2,564	2,564	2,445
	<u>5,148</u>	<u>5,148</u>	<u>4,947</u>

Restatement of prior year support costs and direct costs split

Prior Year 'Other support costs' have been restated from £2,158,000 to £2,445,000 to reflect exchange movements within direct costs.

Resources expended in Governance costs

Governance costs total £213,000 (2021: £203,000) and include £174,000 (2021: £165,000) in respect of a proportion of senior management remuneration.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. Resources expended (continued)

Net incoming resources

	2022	2021
	£000	£000
Auditor's remuneration		
- Fees payable for the audit of the Charity's and Group annual accounts	27	37
- Fees payable for taxation compliance services	2	5
- Fees payable for other services	6	-
Depreciation of owned fixed assets (excluding buildings)	1,290	1,396
Depreciation of buildings	160	178
Hire of plant and machinery	38	20
Other operating leases	597	500
Foreign exchange loss/(gain)	28	(260)
Profit/(loss) on disposal of tangible fixed assets	(4)	139
Profit on disposal of investments	(5)	(5)
Trustee and employee costs	13,116	12,553

8. Staff costs

	Group	Group	Charity	Charity
	2022	2021	2022	2021
	£000	£000	£000	£000
Wages and salaries	11,261	10,830	11,261	10,830
Social security costs	1,124	1,029	1,124	1,029
Pension scheme contributions	731	696	731	696
	13,116	12,555	13,116	12,555

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Staff costs (continued)

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

	Group 2022 No.	Group 2021 No.
Activities in furtherance of the Charity's objects	247	238
Management and administration	8	8
	255	246

The remuneration of the Chief Executive and the Executive management is set by the Remuneration Committee of the Board of Trustees, which consists of non-executive Trustees.

No Trustee or persons with a family or business connection with a Trustee, received remuneration or benefits in the year, directly or indirectly from the Group. An amount of £975 for expenses (2021: £599) was reimbursed to 3 Trustees (2021: 1).

The nature of the expenses was travel and subsistence.

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

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	9	10
In the band £70,001 - £80,000	8	6
In the band £80,001 - £90,000	3	2
In the band £90,001 - £100,000	2	3
In the band £100,001 - £110,000	2	-
In the band £110,001 - £120,000	1	2
In the band £120,001 - £130,000	2	3
In the band £130,001 - £140,000	1	-
In the band £140,001 - £150,000	-	1
In the band £150,001 - £160,000	1	-

Contributions totalling £166,503 (2021: £151,211) were paid in respect of 29 (2021: 27) higher paid employees in the year relating to the defined contribution scheme.

The Trustees consider key management personnel to comprise the members of the Senior Management Team. The total employment benefits, including employer pension contributions, of the Senior Management Team were £1,069,509 (2021: £1,039,821).

BFBS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. Grant payments

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Royal Navy	-	-	13
Combined Services Sports	-	-	130
Big Salute	14	14	34
Live Entertainment	123	123	14
Other grants made to the Forces	108	108	78
	<u>245</u>	<u>245</u>	<u>269</u>

10. Tangible fixed assets

Group and Charity

	Long-term leasehold property £000	Short-term leasehold property £000	Equipment £000	Assets under the course of construction £000	Total £000
Cost					
At 1 April 2021	1,914	6	15,291	346	17,557
Additions	-	-	-	509	509
Disposals	-	-	-	(196)	(196)
Transfers between classes	-	-	205	(205)	-
At 31 March 2022	<u>1,914</u>	<u>6</u>	<u>15,496</u>	<u>454</u>	<u>17,870</u>
Depreciation					
At 1 April 2021	577	6	11,455	-	12,038
Charge for the year	16	-	1,434	-	1,450
At 31 March 2022	<u>593</u>	<u>6</u>	<u>12,889</u>	<u>-</u>	<u>13,488</u>
Net book value					
At 31 March 2022	<u>1,321</u>	<u>-</u>	<u>2,607</u>	<u>454</u>	<u>4,382</u>
At 31 March 2021	<u>1,337</u>	<u>-</u>	<u>3,836</u>	<u>346</u>	<u>5,519</u>

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. Fixed asset investments

Group and Charity	Investments £000
Valuation	
At 1 April 2021	28,960
Revaluations	2,451
At 31 March 2022	<u>31,411</u>
 Net book value	
At 31 March 2022	<u>31,411</u>
At 31 March 2021	<u>28,960</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
BFBS Media Limited	03665251	Chalfont Grove, Narcot Lane Chalfont St Peter, Gerrards Cross, Buckinghamshire, SL9 8TN	Television programming and broadcasting activities
 Holding	 Included in consolidation		
100%	Yes		

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. Fixed asset investments (continued)

Other investments are analysed as follows:

	2022	2021
	£000	£000
UK equities (listed)	18,642	17,337
Overseas equities (listed)	12,432	11,523
Fixed interest and cash	337	100
	31,411	28,960

12. Debtors

	Group	Group	Charity	Charity
	2022	2021	2022	2021
	£000	£000	£000	£000
Due within one year				
Trade debtors	3,335	701	3,191	681
Amounts owed by group undertakings	-	-	185	438
Other debtors	-	1	-	1
Prepayments and accrued income	1,583	3,101	1,496	3,095
Fair value of foreign currency contracts	114	53	114	53
	5,032	3,856	4,986	4,268

13. Cash at bank and in hand

	Group	Group	Company	Company
	2022	2021	2022	2021
	£000	£000	£000	£000
Bank and cash balances	492	1,956	429	1,439
Bank overdrafts	-	(13)	-	(13)
Investments - bank deposits	118	617	118	617
	610	2,560	547	2,043

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Creditors: amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Bank overdrafts	-	13	-	13
Trade creditors	1,342	1,091	1,342	1,091
Other taxation and social security	907	1,408	904	1,397
Other creditors	136	192	136	192
Accruals and deferred income	1,493	2,030	1,387	1,936
	3,878	4,734	3,769	4,629

Deferred incoming resources are recognised when the applicable service has been provided. The movement in deferred income is analysed below:

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Deferred income at start of the year	706	1,432	619	1,331
Amounts recognised in the current year	(706)	(1,571)	(619)	(1,470)
Amounts deferred in the current year	556	845	455	758
Deferred income at the end of the year	556	706	455	619

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Financial instruments

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Financial assets				
Financial assets measured at fair value through profit or loss	32,135	31,599	32,072	31,069
Financial assets that are debt instruments measured at amortised cost	3,499	2,680	3,453	3,093
	<u>35,634</u>	<u>34,279</u>	<u>35,525</u>	<u>34,162</u>
	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Financial liabilities				
Financial liabilities measured at fair value through profit or loss	-	-	-	-
Financial liabilities that are debt instruments measured at amortised cost	(2,415)	(2,607)	(2,410)	(2,600)
	<u>(2,415)</u>	<u>(2,607)</u>	<u>(2,410)</u>	<u>(2,600)</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and amounts owed by the subsidiary undertaking.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to the subsidiary undertaking.

Financial assets/(liabilities) measured at fair value are cash, listed investments and foreign currency forward contracts. Listed investments are stated at their mid-market values as at the balance sheet date. The fair value of currency forward contracts have been determined using observable forward exchange rates corresponding to the maturity of the contract.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. Unrestricted funds - Charity and Group**Unrestricted funds - current year**

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2022 £000
General funds	36,174	28,774	(29,955)	2,564	37,557

Unrestricted funds - prior year

	Balance at 1 April 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Balance at 31 March 2021 £000
General funds	30,584	(520)	(732)	6,842	36,174

17. Contingent liabilities

There are no contingent liabilities as of 31 March 2022 and 31 March 2021.

18. Capital commitments

At 31 March 2022 the Charity had capital commitments of £Nil in relation to assets in the course of construction (2021: £Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

19. Operating lease commitments

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

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Land and Buildings				
Not later than 1 year	419	388	419	388
Later than 1 year and not later than 5 years	1,463	1,478	1,463	1,478
Later than 5 years	734	1,099	734	1,099
Other	2,616	2,965	2,616	2,965
Not later than 1 year	70	72	70	72
Later than 1 year and not later than 5 years	42	60	42	60
	2,728	3,097	2,728	3,097

20. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

Transactions in respect of Trustees' expenses are disclosed in note 8.

21. Post balance sheet events

Subsequent to the year end we can report that the MoD has agreed to extend our contract by 3 years to 31 March 2026. The certainty provided by this decision leaves the charity well placed to further develop and strengthen our full range of services in support of our Forces beneficiaries.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

PATRON, TRUSTEES AND EXECUTIVE MANAGEMENT

PATRON

Her Majesty The Queen Consort

BOARD OF TRUSTEES

CHAIRMAN

Major General Chris Wilson CB CBE

VICE CHAIRMAN

Howard Perlin MBE FCA

TRUSTEES

Captain Graham Robinson RN

Tony Hales CBE

Deborah Loudon

Rear Admiral Anthony Rix RN CB

Helen Depree

Darren Long

Vanella Jackson

David Moody

SECRETARY

David Hamilton FCA

LIFE VICE-PRESIDENTS

Lieutenant General Sir Roderick Cordy-Simpson KBE CB

Michael Andrae Hon. FCIM

Air Vice-Marshal Andrew Vallance CB OBE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

PATRON, TRUSTEES AND EXECUTIVE MANAGEMENT (CONTINUED)

EXECUTIVE MANAGEMENT

CHIEF EXECUTIVE
Simon Bucks

DIRECTOR OF FINANCE
David Hamilton FCA

DIRECTOR OF FORCES BROADCASTING & ENTERTAINMENT
Nicky Ness

DIRECTOR OF DIGITAL CONTENT & TRAINING
Adam Waters

DIRECTOR OF EDITORIAL CONTENT
Lisa Mitchell

DIRECTOR OF TECHNOLOGY
Ryan Lambert

DIRECTOR OF DEVELOPMENT & STRATEGY
Nick Beer

Registered office: Chalfont Grove, Narcot Lane, Chalfont St Peter, Gerrards Cross, Bucks, SL9 8TN

BFBS

England & Wales - Charity number 233480

Accounts

Company number: 00407270
Charity number: 00233480

BFBS

ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021

BFBS

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BFBS

**ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Corporation registration number 00407270 (incorporated in England & Wales)

Charity registration number 00233480

Registered office Chalfont Grove
Narcot Lane
Chalfont St Peter
Gerrards Cross
Bucks
SL9 8TN

Websites www.bfbs.com
www.forces.net

Independent auditor Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
First Floor, One Valpy Street
Reading
RG1 1AR

Bankers HSBC Bank plc
65 Packhorse Road
Gerrards Cross
Bucks
SL9 8PH

Solicitors Bates Wells
10 Queens Street Place
London
EC4R 1BE

KLC Employment Law Consultants LLP
Mill Pool House
Mill Lane
Godalming
Surrey
GU7 1EY

BFBS

**ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Investment managers: BlackRock Investment Managers
12 Throgmorton Avenue
London
EC2N 2DL

M & G Investments
Laurence Pountney Hill
London
EC4R 0HH

Investec
30 Gresham Street
London
EC2V 7QP

BFBS

**REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2021**

The Board of Trustees of BFBS has pleasure in presenting its report on the activities and results for the year ended 31 March 2021.

Change of name

A significant event for our organisation took place on 23 July 2020 when our name and associated branding changed from 'The Services Sound and Vision Corporation' to 'BFBS'. The change was effected in order to eliminate confusion between our various trading names and brands and it was implemented following detailed consultation with all our stakeholders and, in particular, with our beneficiaries. The feedback from this exercise made it clear that BFBS was the name which resonated by far the most strongly with the HM Armed Forces ('the Forces') community we exist to serve, tying closely back to our heritage and our charitable aims.

Our aims and how our activities deliver public benefit

Our charity's aims are to promote the efficiency of the Forces through the provision of services related to entertainment, information, education, welfare and training.

Our activities deliver benefit through:

- Providing dedicated radio and TV channels for Forces personnel and their families, whilst stationed or deployed abroad.
- Providing local radio channels in military bases in the UK together with a national BFBS service on DAB+, online, via mobile apps and through Sky and Freesat
- Providing a national UK TV channel, "Forces TV", broadcast on Freeview, Sky, Virgin and Freesat
- Creating Forces related video and social media content for distribution across a wide range of digital platforms
- Showing films in military bases throughout the UK and overseas
- Staging entertainment shows
- Running training courses for serving personnel, veterans, military spouses and military charities
- Providing video production and digital support services to the Ministry of Defence ('MoD') and military charities

Taken together the cumulative impact of all our activities is to provide a critical component in the maintenance of morale of the Forces and their families.

The primary source of funding for most of our work comes from contracts held with the MoD. More recently though, we have developed a range of education and training services largely funded through charitable grants from other organisations.

ACHIEVEMENTS AND PERFORMANCE

The backdrop of the Covid pandemic made the year to 31 March 2021 a uniquely challenging one during which the ingenuity and outstanding commitment of our staff ensured that there was no adverse impact on our services. In many instances our teams went even further 'over and above' and strengthened support for our beneficiaries through a range of new initiatives from the provision of free Sky/Now TV for families repatriated at short notice through to free online newspapers and magazines for the Forces community globally.

The vital part our work has played in supporting the morale and wellbeing of military communities around the world has been widely acknowledged and we have been delighted to receive overwhelmingly positive feedback including this from the Minister for the Armed Forces:

BFBS

REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

(continued)

"I would like to offer my sincere thanks, on behalf of the Armed Forces, for the hard work BFBS undertakes in order to provide Service personnel and their families with TV and radio both in the UK and when stationed overseas; I know it is very much appreciated." James Heappey, Minister for the Armed Forces.

Broadcasting

Our role in the heart of the military community brought us even closer to the audience during such a difficult time, using our radio stations to bring the very latest Covid information, specific to region, to keep them up to date, telling the stories that needed to be heard from the frontline of the effort to respond to the virus. Our radio series "Covid Response Allies" highlighted the role our Forces were playing alongside the NHS and is something we were particularly proud to present. We also continued to keep spirits up, with creative entertainment ideas within programmes, virtual quizzes and celebrity Q & A's, a virtual disco from Cyprus to the world on many a Friday night and a whole host of local initiatives to offer community support to wellbeing and morale.

We continued to focus on families with our on-air and podcast series, Team Talk, a look at everyday life as a Forces family. Covering a range of topics and angles, Team Talk was originally commissioned as a one-off series, but such was the popularity, a second series was made with funding from the Armed Forces Covenant Fund and was targeted specifically towards the impact of Covid.

On Christmas Day, we were proud to be given the chance to takeover Europe's biggest pop radio station, BBC Radio 1, for four hours during peak daytime. We presented Forces stories from across the world, with the show coming live from our studios in Cyprus, Germany, Brunei, Gibraltar and Bahrain. A technical marvel without a glitch and a chance for BFBS presenters, on the biggest day of the year to show the nation and wider world what makes the UK Armed Forces so very special and most importantly, to connect them to home and loved ones.

Throughout the year we've also been recognised by the radio industry with many award nominations and wins from being rewarded for our work during Covid in the Coronavirus Radio Awards to receiving highly commended in the prestigious AIB Awards for VE Day 75, a unique look at a unique day. Judges called it "powerful, "brilliantly designed, creating an almost cinematic feeling". We also picked up a bronze in the Community Radio Awards for Sage Person of the Year, by our brilliant Liz Mullen from BFBS Colchester.

During a really tough time for the region in Nepal, our teams across the world on BFBS Gurkha Radio continued to deliver their vital services to the community. Maintaining resilience through difficult lockdown conditions is testament to the dedication of BFBS teams and they have been widely acknowledged for the continued flow of crucial information to Gurkha communities in the UK, Brunei, Nepal and elsewhere.

The expansion of the Brigade of Gurkhas under 'Project Sherpa' has been supported by new BFBS radio transmitters established in Warminster, Abingdon, Perham Down, Hullavington and (soon) Bulford. The importance of our services has been reinforced by the Colonel of the Brigade who has mandated that, alongside a temple and messing area, BFBS Radio is one of the 3 'pillars of support' required in any location in which Gurkhas are based.

BFBS TV achieved an important milestone with the launch of our upgraded multi-channel app. With programming broadcast in HD, available through connected TV's, mobiles and tablets and with catch up capability, this enhanced service has proved to be highly popular with our audiences.

"I am currently serving overseas and love your BFBS app..... I think the service you offer is fantastic". JS via e mail.

"Thank you for getting back to me, really appreciate it...great news about the (cricket) Tests..... Thank you again for the service you provide; not sure what we'd do without it to be honest". George G, via e mail.

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REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

(continued)

Our strong relationships with content rights holders developed further over the year, with Amazon Prime being an important example of this. In conjunction with the longstanding relationship between BFBS and the Premier League, this has allowed us safe, legal and secure access to all the matches shown exclusively by Amazon for the 20/21 and 21/22 seasons. Further support from Amazon came through access to their archive of excellent sporting documentaries. These provided a much appreciated source of content for our audiences, particularly during the period when Covid restrictions curtailed live sport.

BFBS TV also began a new partnership with global sports provider DAZN, bringing increased access to premium content, particularly live world title boxing. Although 'pay per view' for UK viewers, these events are made available at no cost to our serving Forces audiences overseas.

With the focus for UK Defence changing and developing, as detailed in the government's 'Integrated Review' paper, BFBS has taken the opportunity to strengthen our provision of services for the Royal Navy ('RN') in the Far East. Additional satellite capacity was sourced in this region in October 2020, which allowed us to increase the footprint for the RN and enhance the technical resilience of the service. The timing of this change allowed us to support the deployment of the Carrier Strike Group to the Far East in 2021. Prior to this our engineers visited all 7 of the ships in the group, including HMS Queen Elizabeth, to configure the onboard kit so as to ensure the comprehensive provision of BFBS TV services.

This year we have also been pleased to provide a new capability for the RN by broadcasting the Second Sea Lord's address 'Lockdown: What it Means to Us' on BFBS TV. This allowed all those at sea, worldwide, to access this meeting. Since then, further RN 'Town Meetings' have been broadcast and this has become an ongoing added-value feature of our services.

Our News team has covered a wide range of stories including those relating to mental health issues, the Integrated Review, the 30th anniversary of Op Granby (the first Gulf War), the new Carriers, RAF Chinook crash and training missions in Mali/Senegal. The single dominant thread in our content throughout the year has, however, been the outstanding role the Forces have played to support the nation through the coronavirus pandemic under 'Op Rescript'. Coverage of these stories on all our channels – TV, Radio & Online has been comprehensive and we have also been pleased to be able to support personnel deployed on Rescript and their families in a more direct way too through our various partnerships, including:

- free access in the UK to premium TV packages, including sport and family entertainment via Sky, Now and HayU
- free access to over 3000 newspapers and magazines online via PressReader
- free access to The Sun as well as the Times and Sunday Times.
- free deliveries of pizza and other food and drink goodies to troops assisting the NHS effort
- Additional educational content for home schooling overseas via the BBC

This support was also provided for those military families who were hurriedly repatriated back to the UK from overseas locations into temporary accommodation because of the Covid risk.

"I would like to extend hearty regards on behalf of all BGN families/children for the goody bags and toys you delivered to the doors of the families, despite the hot summer afternoon. Thank you for your hard work and your charitable heart." Capt. Binod Kerung

The challenges posed by Covid have called for innovative solutions and, in response, we have developed the capability to live stream events where attendees have not been permitted. These events have included the Commonwealth Air Forces Memorial Service from Runnymede, the Admiralty Carol Service and the Soldiering On Awards.

As we move into a new phase, with Covid restrictions gradually easing, it has been tremendous to be able to

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REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED)
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start to interact with our Forces community beneficiaries at 'in person events' once again. With the entire adult population vaccinated, Gibraltar has led the way and their Armed Forces Day event saw BFBS providing support and presentation, with 3,600 people attending. CBF Gibraltar, Commodore Steve Dainton commented:

"BFBS were fundamental in the accomplishment. In particular, the BFBS Gibraltar team have been superb in both the build up to the event and on the day itself. Outside of Armed Forces Day, BFBS Gibraltar provides a fantastic service to my workforce."

BFBS Academy

The BFBS Academy was launched in 2017 and since then 51 veterans and service leavers have successfully graduated from our unique one-year training course in Creative Media Production, culminating in an HNC qualification.

This year Covid restrictions have added particular challenges for our students and staff and it has been tremendous to see how effectively they have embraced the challenges of a, largely, remote learning model. Despite these constraints, 89% of graduates attained a Distinction or Merit grade – a very considerable achievement.

This initiative is entirely funded by charitable grants from a mix of different sources comprising the LIBOR Fund, ABF The Soldiers Charity, the Veterans Foundation and the Royal British Legion. On behalf of all our veteran and service leaver beneficiaries we would like to thank our charity partners for their support. The difference made for many of them has been quite life changing and 85% of our graduates have gone on to establish new careers in the media industry.

The challenges for military spouses that come from the regular moves that characterise armed forces life and the frequent time away from home of their partners are well documented. Our Social Media Spouses, #SMSpouses training courses, funded by the Armed Forces Covenant Trust, play an important role in helping to address these challenges. As put by Ayesha, a graduate from the course:

"My husband is currently serving in the RAF and his role means he does a lot of shift work and is away from home quite often. This has made juggling childcare, employment and our family time management stressful and quite often, overwhelming. It also impacted on our financial security, as I haven't been able to find a career that fits around our military family life."

"When I discovered #SMSpouses, I knew it was an opportunity I had to take..... My confidence in social media has skyrocketed, which also helped me land a part-time role as a community moderator. This gave me more financial independence and experience to further my career in social media. #SMSpouses has given me the confidence to get back into employment whilst navigating military life."

"I am finally living my life, and not just surviving."

Alongside the courses, Social Media Spouses networks have been set up on a dedicated online platform and on a private Facebook group, with over 1,500 members. These online communities have proved to be tremendously positive and productive with spouses supporting and advising each other and often offering work to one another on projects.

In addition to veterans and spouses, BFBS' expertise in bespoke media training for the wider Forces community continues to be highly valued with a range of courses provided for serving personnel, MoD civil servants, military charities and cadets.

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REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

(continued)

BFBS Creative - Video Production, Digital & Social Media Support

BFBS Creative has had a busy year during which we embedded our subject matter experts into the Army Communications team to assist with their digital upskilling programme. We were pleased to be able to support the Army in delivering some of its most successful campaigns including #TimeToTalk on mental health, featuring General Sir Patrick Sanders.

This approach of embedding our team has been mirrored elsewhere, with our staff providing their expertise to the Royal Navy onboard ships in Bahrain and in support of NATO exercises too.

Demand for our creation of bespoke Forces video content has continued to grow, despite the limitations of Covid restrictions. Videos we have produced during the year include those for Defence People, the RAF, UK Strategic Command, Defence Safeguarding, MoD Cyber Awareness Team and the Military Provost Guard.

In an exciting new initiative we took the opportunity to set up and run military e-sports tri-service competitions. In doing so, we provided the streaming, gaming laptops and promotion to make these events a success. This innovation was positively received and all the more welcome since, with Covid restrictions, the opportunities for traditional inter-services sport have inevitably been severely limited.

BFBS Cinemas

BFBS Cinemas closed their doors in March 2020, along with all others across the world. In parallel though it became clear that the requirement for our portable cinema technology, "Cinelink", remained for many military locations who saw the service as an important welfare provision during a challenging period. Although new film selections were limited, we were able to provide the very best classic films and premium on-demand releases, while picking up brand new cinema content in the breaks between lockdowns. Cinelink even managed to widen its audience reach adding more Royal Navy Ships and two players for Brunei in December 2020.

Cinemas in the Falkland Islands re-opened their doors in July 2020 but we saw only short reprieves from lockdown in our other locations. As these opportunities arose we sourced a mix of new and classic movies as an entertainment option for serving personnel and their families. In the meantime, the focus has been on training the new local cinema teams on the ground and in work to ensure staff and audiences are properly safeguarded during periods when it has been possible to open.

Live Entertainment

Inevitably, the global pandemic significantly curtailed the ability of our team to offer live events and so we shifted our thinking to the delivery of morale boosting entertainment in a Covid safe way. This new approach comprised a mix of activity – virtual comedy & magic shows, live zoom interviews with high profile sports personalities, online pantomime and children's shows plus a couple of real-life family events with live music and children's entertainment.

"It was a real privilege for the SJFHQ Group to be the recipients of BFBS Live Events' first virtual gig. After almost a year of working apart, it was great to be able to come together in this way and share this experience. You cannot underestimate the value of the contributions that these types of events make to the lives of Service personnel." Maj Gen Rupert Jones, Standing Joint Force Commander

"As always, your team were friendly, brilliant and hugely professional. Not only did you provide another great virtual event to support our troops but you provided the next generation of young officers with the knowledge to be able to bring the benefits of BFBS to their soldiers and families once commissioned. A job well done." Major N. Cargill, Royal Military Academy Sandhurst.

Even as Covid restrictions started to ease, live entertainment shows for operational troops deployed away from

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home have been almost impossible to deliver due to uncertainty on international travel. Instead, though, our team have come up with alternative ways to boost morale including the installation of big screens in Bahrain and Estonia so that troops stationed there could enjoy the Euro2020 football championship.

BFBS 'Big Salute' Campaign and the BFBS Welfare Fund

Although, unfortunately, lockdown constrained our usual fundraising activities we are pleased to report that via a combination of creativity from our staff and audiences and match funding support from our Trustees, we were still able to raise approx £30k for 'Big Salute'. These funds will be awarded to smaller military charities who bid for grants to complete specific projects.

Awards from the previous campaign were made during this year to support a range of projects including:

- An allotment for veterans in Hampshire
- Development of horsemanship skills at a riding centre in Scotland for serving personnel and veterans who've suffered life changing injuries
- TV's for homeless veterans
- Archaeological project for serving and former armed forces personnel
- Veterans project to renovate a motor cruiser and a Land Rover
- Provision of vital supplies and services to children of military families suffering financial hardship

We were also delighted to follow all these stories across BFBS Radio, TV & Online, to raise the profile of these charities and their work among our global Forces audiences.

Grants from the BFBS Welfare Fund also supported a wide range of projects including the enhancement of welfare facilities at RAF Akrotiri, JFC Naples & Aldershot Garrison, hoodies for military personnel deployed in Afghanistan, new TV's for HMS Montrose, cycling equipment for an event in Estonia, football kit in Brunei, karting in Cyprus and equipment for the Bulford Youth Hub.

In addition, the Trustees' grants in support of UK Armed Forces Sport continued based on the understanding that these would be spent as and when the easing of Covid restrictions allowed events to be held across 2020/21 and 2021/22.

FINANCIAL REVIEW

The incoming resources of the charity were relatively stable at £27,563,000 (2020: £28,289,000). Covid restrictions did, however, significantly curtail activities involving face-to-face engagement with our audiences such as outside broadcasts, cinemas and live entertainment. As a result resources expended decreased to £28,083,000 (2020: £30,002,000).

The operating deficit before other recognised gains and losses was £520,000 (2020: deficit of £1,713,000). Additional detailed financial information is shown on pages 21 to 42.

Plans for future periods

The charity plans to continue to provide the full range of services to its beneficiaries, as currently contracted for with the MoD. In addition, we will continue to seek other sources of funding to support the development and delivery of new services for the Forces community, consistent with the aims of the charity.

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REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Key performance indicators

The financial performance of the charity is closely monitored on a monthly basis by the Director of Finance with both revenues and costs being compared against the BFBS Board-approved budget for the year. The monthly management accounts are presented at each Board meeting together with a commentary on activity, revenue and expense variances.

Key performance indicators ('KPIs') covering the delivery, performance and quality of the services provided under contracts to the MoD have been defined and are monitored and reviewed jointly with the MoD on a monthly basis. With the opinions of our viewers, listeners and customers of paramount importance to the charity, audience research surveys are the most significant of the KPIs. In that context, we are pleased to report that audience satisfaction ratings have been consistently over 90% throughout the year to 31 March 2021, far in excess of the minimum contractual level required of the charity by the MoD.

BFBS is a quality broadcaster and committed to maintaining its high standards of service to its viewers and listeners. Quality Assurance programmes have been developed within the radio and television divisions and BFBS has ISO 9001 accreditation.

Investment policy and performance

Under the Memorandum and Articles of Association, the charity has the power to make any investment that the trustees see fit. The objective of the Investment Policy is, on a low risk basis commensurate with the charity's charitable status, to protect the capital value of the investment assets whilst generating an acceptable level of return from income and capital appreciation. BFBS will not invest directly in derivatives, or in unquoted securities, physical assets or property and will not engage in stock lending or underwriting.

The Investment Committee has considered the available options for investing surplus funds and has continued to engage the services of investment managers during the year. The majority of investments are in fully invested pooled funds. The Investment Committee regularly reviews the performance of the investment managers and meets with them when appropriate. The performance of the investment funds is monitored and measured against relevant benchmark indices.

The investment portfolio stood at £28,960,000 as at 31 March 2021, up £6,853,000 compared to £22,107,000 as at 31 March 2020. This increase reflected the marked recovery in equity markets as Covid restrictions started to ease. The increase in the value of investments over the year was 31.0%, compared to 23.3% for the FTSE All Share Index, helped by the overseas portion of the portfolio which performed particularly strongly.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board reviews, on an ongoing basis, the major operational, business and financial risks that the charity faces. The audit committee also meets with the external auditors on a regular basis.

Senior management monitors all operational, business and financial risks that the charity faces, and confirms that systems are in place to mitigate the significant risks. The principal risks and uncertainties are as detailed below.

MoD Broadcasting Contract

A substantial proportion of the charity's revenue comes from the MoD Broadcasting Contract, which ends on 31 March 2023. The securing of a new contract will be critical in enabling BFBS to continue to provide TV and Radio services globally to the Forces community and so to comprehensively fulfil its charitable aims.

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**REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED)
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To help support the case for contract renewal the focus of our Trustees is on providing as strong as possible a range of services to the global Forces community. In addition, our senior managers work closely with the MoD, at all levels, to ensure that the value of the services we deliver are effectively communicated and that the priorities and requirements of our Forces audiences are clearly understood.

Covid-19

Covid-19 continues to present risks and material staff absences might impact upon our ability to provide our full range of contracted services. This risk has been mitigated by the Government vaccination programme and the actions taken by our senior managers to reduce the risks to staff. The occupancy level in our offices currently runs at 35% of pre pandemic levels to help facilitate social distancing. While the implementation of our business continuity plan was very successful in avoiding any impact on our contracted services, the lessons learned from our experience of Covid-19 have been used to enhance our planning in the event of a future pandemic.

Cyber Security Risk

In common with many organisations, BFBS is vulnerable to cyber attack which, in the worst case, could compromise our ability to deliver services and / or risk the loss of confidential personal information.

To address this risk we embarked on a two year programme to review and strengthen our cyber security covering all aspects – processes, technology, staff awareness and training. This culminated in an external audit in March 2021, following which BFBS was awarded ISO27001 accreditation – the international information security standard.

Best practice in respect of information security is now firmly embedded throughout the organisation and will be regularly reviewed, refreshed and audited in future to manage and mitigate cyber security risk.

Technology Investment

There is a risk that, without sufficient investment in technology in respect of both equipment and expertise, the Charity could be unable to deliver all the services required by the MoD for this contract or for a future one.

To mitigate this risk the Board has implemented a programme of technology refreshes in up-to-date transmission systems, studios, delivery platforms and other equipment. In addition, recruitment, retention and training programmes have been put in place to ensure the Charity has in-house technical personnel with the appropriate skills and expertise.

Inflation

Inflation is anticipated to increase through 2021/22 and potentially beyond that too due to the impact of Brexit and the Covid pandemic on the economy. This is likely to have an adverse impact on costs and could, ultimately, affect the ability of BFBS to deliver on its full range of charitable activities.

By way of mitigation, we will review opportunities for cost savings and efficiencies, while also seeking opportunities to increase income from all available sources.

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**REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED)
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Reserves policy

At 31 March 2021, the charity held 'unrestricted funds – other charitable funds' totalling £36,174,000 (2020: £30,584,000). The charity's policy is to maintain reserves at a level sufficient to ensure that there is no major disruption to our services for beneficiaries in the event of unforeseen increases in expenditure or reductions in income, whilst at the same time allowing investment in new projects designed to ensure the long term financial sustainability of the charity. In the event of the loss of the MoD Broadcasting Contract, the maintenance of an adequate level of reserves will be particularly important in providing a continuing flow of investment income to fund charitable activities.

The charity's operations are underpinned by its long-term contract with the MoD. The nature of this contract enables the charity to forecast future revenues with reasonable certainty and costs continue to be controlled so as to ensure that total income from charitable activities approximately matches total outgoings. Consequently, the Trustees believe that the charity is well placed to manage its operational risks successfully, despite the current uncertain economic outlook.

The Trustees therefore have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The charity uses various financial instruments including cash, equity investments, and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the charity's operations. The existence of these financial instruments exposes the charity to a number of financial risks, which are described in more detail below.

The main risks arising from the charity's financial instruments are market risk, liquidity risk, interest rate risk, cash flow and credit risk. The Trustees review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Market risk

Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. The charity's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled "interest rate risk" below.

Liquidity risk

The charity seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

A managed risk is the timing and advance funding of expenditure to provide charitable services, and the subsequent receipts from the MoD. Significant expenditures have to be funded initially from operational cash reserves before the receipts from the MoD are obtained.

Currency risk

Forward exchange contracts for US dollars and Euros are used to manage currency fluctuations on purchases in foreign currency by entering into a forward exchange contract to match the future foreign currency commitment when due.

Interest rate risk

The charity places cash on deposit on a medium-term basis of up to 12 months at fixed interest rates. Before placing deposits, the financial stability of the relevant banks is reviewed, to ensure that any risk to the funds is minimised.

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**REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED)
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Credit risk

The charity's trade debtors principally represent amounts due from the MoD. In order to manage credit risk and to ensure prompt payment we have built up a strong relationship with the MoD and maintain regular contact with them throughout the period between the issue of invoices and the receipt of payments, resolving any issues or queries that may arise in the meantime.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Charity Status**

The charity is a company limited by guarantee (company number 00407270) and is registered as a charity (charity number 00233480). Members of the organisation guarantee to contribute an amount not exceeding £1 each to the assets of the organisation in the event of a winding up. The total number of such guarantees at 31 March 2021 was 11 (2020: 12).

Our Aims and Objectives

Our charity's aims, as described in the Memorandum and Articles of Association, are to promote the efficiency of HM Armed Forces through the provision of services related to entertainment, information, education, welfare and training. These aims were developed further in the update of the Memorandum and Articles of Association as at September 2017, adding "to advance the education of the Armed Forces Community for the benefit of the public, where the 'Armed Forces Community' comprises current service personnel, reservists, cadets, veterans, service leavers and civilians who work in direct support of the UK military."

Ensuring our work delivers our aims

Our activities are subject to continual review throughout the year by both the Board of Trustees and the Executive Team. This review process helps us to ensure that all our activities remain focused on our stated aims and objectives.

In this context the Board of Trustees can confirm that they have complied with their duty under section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in planning and implementing all the activities of the charity.

Organisation

A Board of Trustees, which meets five times a year, administers the charity. There are sub-committees covering investment, audit, remuneration, Board and Senior Management nominations and the distribution of charitable funds:

- investment committee - meets regularly during the year. At each Board meeting, it reports to the Board on the performance of investments
- audit committee - meets during the audit process each year, and on further occasions as required
- remuneration committee - meets to determine senior staff remuneration at least once a year
- nominations committee - meets no less than once a year to recommend any alterations to the Board that are deemed necessary and to appoint Senior Management
- welfare fund committee - meets as and when required to deal with requests received and reports to the Board at each Board meeting.

A Chief Executive is appointed by the Board to manage the day-to-day operations of the Charity. The other members of the Executive Team (see page 44) assist the Chief Executive.

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REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Directors

All members of the Board are directors for the purposes of company law and trustees for the purposes of charity law. All Trustees served throughout the year, except as noted below.

The Trustees are elected by the existing Board, which may, at any time, co-opt any person duly qualified to be appointed, as a member of the Board to fill a vacancy in their number. All proposed appointments are subject to approval by the Board. The Board shall include individuals who have held commissioned rank in the Forces and civilians with relevant business experience. The total members of the Board must number between 3 and 13.

Excluding the Chair, from time to time, each Trustee shall retire from office at the third annual general meeting following the commencement of his or her term of office. Retiring Trustees may be reappointed.

The membership of the Board is set out below:

Major General Christopher Wilson - chairman of the Charity, the nomination, remuneration and welfare fund committees and member of the investment and audit committees

Howard Perlin - vice chairman of the Charity, chairman of the audit committee, and member of the remuneration, investment and nomination committees

Captain Graham Robinson RN - chairman of the investment committee and member of the welfare fund committee

Tony Hales - member of the audit, investment, nomination and remuneration committees

Deborah Loudon - member of the nomination and remuneration committees

Rear Admiral Anthony Rix RN - member of the welfare fund committee

Helen Depree - member of the audit committee

Air Cdre Ian Tolfts - member of the welfare fund committee

Darren Long

Vanella Jackson

David Moody

Mark Browning – resigned 22 June 2021

Trustee training and induction

All new Trustees undertake an induction programme on joining the Board. The aim of this programme is to introduce new trustees to the Charity's objectives, operations and governance arrangements. The induction programme includes a pre-appointment pack, meetings with senior management, a visit to the principal facility, presentations on key financial and operational areas and relevant documentation. Trustees are regularly updated on changes to charity and company law as well as changes to other legislation which have an impact on the Charity. Trustees are expected to remain updated with charity best practice.

Grants

A sub-committee exists to review applications for grants from the Forces. The review process includes ensuring that the provision of each grant is within the terms of the charitable objectives of the charity.

The charity continues to actively promote its welfare fund to the Forces by regular communication to the Directorates of Corporate Communications (DCCs) for each service, direct communication with the Forces via the charity's website and promotional features on BFBS radio and the main BFBS television channel.

Grants are awarded to units of the Forces in respect of worthy causes associated with education, training, welfare and entertainment needs. The welfare fund committee meets as and when required to deal with applications received and reports to the Board at each Board meeting. The Chief Executive and Director of Finance are authorised to approve individual grants with a value of less than £10,000, whilst the welfare fund committee is authorised to approve grants with a value of less than £50,000. Individual grants in excess of this value are approved by the Board. Grants are approved if the purpose is a worthy cause and is within the terms of

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**REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED)
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the objectives of the charity. During the financial year, 34 applications for grants were received, all of which were either partially or fully awarded. The average value of grants made during the year was £7,905. Grants made during the year totalled £269,000 (2020: £440,000).

Principal funding sources

The principal source of funding is the MoD for the services delivered under contract to them. Charitable grants from other organisations are the main source of funding for other activities.

Employee involvement

The charity has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the charity. This is achieved through briefings by the Chief Executive and his senior staff, staff association meetings and all-staff town meetings.

Disabled workers

It is the charity's policy to follow the Government's guidelines on the employment of disabled workers as far as it is possible.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of BFBS for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS'
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The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Qualifying third party indemnity provision

The company has maintained directors' liability insurance in respect of its directors.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the charity receives notice under section 488(1) of the Companies Act 2006.

On behalf of the Board:

Chris Wilson

Major General Christopher Wilson

Chair of Trustees

Date: 8/12/2021

Charity no: 00233480

Company no: 00407270

BFBS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS

Opinion

We have audited the financial statements of BFBS (the 'charitable company') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources including, its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements section' of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the Trustees' conclusions, we considered the inherent risks associated with the charitable company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Trustees and the related disclosures and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

BFBS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS (CONTINUED)

The responsibilities of the trustees with respect to going concern are described in the 'Responsibilities of Trustees for the financial statements' section of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report, prepared for the purposes of company law, included in the Report of the Board of Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Report of the Board of Trustees have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Report of the Board of Trustees.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

BFBS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS (CONTINUED)

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 14 to 15, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant which are directly relevant to the financial statements are those related to the reporting frameworks (Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006).

In addition, we concluded that there are certain significant laws and regulations, such as the Charities SORP (FRS 102), Charities Act 2011, Data Protection Act 2018, Charity Code of Governance and The Ofcom Broadcasting Code.

We obtained an understanding of how the company complies with those legal and regulatory frameworks by making enquiries of management, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes and correspondence received from regulatory bodies.

BFBS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS (CONTINUED)

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the entity's operations, including the nature of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
- the applicable statutory provisions;
- the entity's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations of the regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the entity's compliance with regulatory requirements, and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by making enquires of management and those charged with governance. We utilised internal and external information to corroborate these enquiries and to perform a high-level fraud risk assessment. We considered the risk of fraud to be higher through the potential for management override of controls.

Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
- journal entry testing, with a focus on material manual journals, those posted at the end of the reporting period and those posted directly to cash, revenue or control accounts;
- challenging assumptions and judgements made by management in its significant accounting estimates;
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.

We assessed the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

- understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
- knowledge of the industry in which the client operates;
- understanding of the legal and regulatory requirements specific to the entity including:
 - the provisions of the applicable legislation;
 - the regulators' rules and related guidance, including guidance issued by relevant authorities that interprets those rules;
 - the applicable statutory provisions.
 - The Company's management have not communicated to the audit team any matters of non-compliance with laws and regulations or fraud and no such matters were identified by the audit team.

BFBS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Redfern FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield

Date: 10/12/2021

BFBS

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Total unrestricted funds 2021 £000	Total unrestricted funds 2020 £000
Incoming resources			
Voluntary income	3	376	503
Incoming resources from charitable activities	3	26,303	26,816
Investment income	7	884	970
Total incoming resources		27,563	28,289
Resources expended			
Investment management costs		147	147
Costs in respect of charitable activities	4	27,733	29,654
Governance costs	4	203	201
Total resources expended		28,083	30,002
Operating deficit before fair value movements		(520)	(1,713)
Net gains/(losses) on investments		6,842	(4,581)
Fair value movements on foreign currency forward contracts		(732)	437
Surplus/(deficit) before other recognised gains and losses		5,590	(5,857)
Other recognised gains/(losses):			
Actuarial gain/(loss) in defined benefit pension scheme	16	-	360
Net movement in funds		5,590	(5,497)
Reconciliation of funds:			
Total funds brought forward		30,584	36,081
Total funds carried forward		36,174	30,584

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

All funds are unrestricted.

The notes on pages 24 to 42 form part of these financial statements.

BFBS

**BALANCE SHEET
AS AT 31 MARCH 2021**

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	9	5,519	6,476
Investments	10	28,960	22,107
		34,479	28,583
Current assets			
Debtors	11	4,268	5,724
Investments – bank deposits		617	617
Cash at bank and in hand	12	1,439	504
		6,324	6,845
Creditors: amounts falling due within one year	13	(4,629)	(4,844)
Net current assets		1,695	2,001
Total assets less current liabilities		36,174	30,584
Net assets excluding pension asset / (liability)		36,174	30,584
Total net assets		36,174	30,584
Funds of the charity			
Restricted funds		-	-
Unrestricted funds	15	36,174	30,584
Total funds		36,174	30,584

The financial statements were approved by the Board on: 8/12/2021

Major General Christopher Wilson
Chair of Trustees

Chris Wilson

Charity no: 00233480
Company no: 00407270

The notes on pages 24 to 42 form part of these financial statements.

BFBS

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021	<i>2020</i>
	£000	<i>£000</i>
Cash flows from operating activities		
Operating (loss)/surplus	(520)	<i>(1,713)</i>
Adjustments for:		
Depreciation of tangible assets	1,574	<i>1,821</i>
Loss on disposal of tangible assets	139	<i>35</i>
Profit on disposal of investments	(5)	<i>(15)</i>
Interest income	-	<i>(20)</i>
Dividends received	(884)	<i>(950)</i>
Decrease/(increase) in debtors	725	<i>(1,020)</i>
Decrease in creditors	(228)	<i>(209)</i>
Movement related to defined benefit pension scheme	-	<i>7</i>
Net cash used in operating activities	1,321	<i>(351)</i>
Cash flows from investing activities		
Purchase of tangible fixed assets	(786)	<i>(1,764)</i>
Sale of tangible fixed assets	30	<i>480</i>
Purchase of investments	(392)	<i>(1,997)</i>
Sale of investments	385	<i>1,063</i>
Sale/ (purchase) of deposits	-	<i>3,283</i>
Interest income	-	<i>20</i>
Dividends received	884	<i>950</i>
Net cash provided by investing activities	121	<i>2,035</i>
Change in cash and cash equivalents in the year	922	<i>(29)</i>
Cash and cash equivalents at the beginning of the year	504	<i>533</i>
Cash and cash equivalents at the end of the year	1,426	<i>504</i>

The notes on pages 24 to 42 form part of these financial statements

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. General information

BFBS is a Charitable Company limited by guarantee & incorporated in England and Wales. Its registered head office is located at Chalfont Grove, Narcot Lane, Gerrards Cross, Buckinghamshire, SL9 8TN.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity 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.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The charity has not prepared consolidated accounts on the grounds that its subsidiary undertaking is immaterial to the charity and group's overall results. Please see further details of this subsidiary in note 17.

The principal accounting policies for the charitable company are set out below.

2.2 Going concern

After reviewing the charity's forecasts and their accompanying risks the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and as a result they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

2.3 Functional and presentational currency

The functional and presentational currency of the charity is Pound Sterling (£). This is the currency of the primary economic environment in which the charity operates.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)**2.4 Significant judgements and estimates**

Preparation of the financial statements requires the Trustees to make significant judgements, estimates and assumptions about the carrying values of assets and liabilities not readily apparent from other sources. The key judgements and sources of estimation that have a significant effect on the amounts recognised in the financial statements include:

Revenue recognition

The charity receives monthly fees for the provision of broadcasting services. Revenue receipts and deferred income are accounted for in accordance with FRS 102 with, for example, any receipts for work not yet performed being treated as deferred revenue as estimated by management.

Useful economic lives of operational fixed assets

As explained further within the tangible fixed assets policy – buildings, plant, machinery and vehicles held by the charity are depreciated from acquisition based on their useful economic life, so as to write-off the cost of the asset less any residual value (if any). Judgement is required to assess the length of this life, and this is evaluated based on past experience, asset classification and condition reviews. Depreciation rates for classes of assets are reviewed annually, to ensure they remain appropriate with reference to external and internal factors, including the level of proceeds (and resulting profit/losses) recognised on disposal of such items.

Accounting for defined benefit pension scheme

Judgements and estimates are made, using actuarial guidance, regarding key assumptions in the valuing of scheme assets and liabilities, and in recognising a scheme asset at entity level.

Valuation of foreign currency forward contracts

Foreign currency forward contracts are fair valued using observable forward exchange rates corresponding to the maturity of the contract, as judged by management depending on materiality of the transactions.

2.5 Incoming resources and revenue recognition**Income recognition**

Income is recognised as the applicable services are provided and costs are recognised as incurred. Deferred income represents income received for which the applicable service has not yet been provided.

Activities in furtherance of the charity's objects represent the total amount receivable by the charity, excluding VAT, in the ordinary course of business for goods supplied and for services provided in broadcasting, live entertainment and related services.

2.6 Investment income

Investment income comprises interest receivable on short-term deposits and all investment income from fixed asset investments including reinvested income.

2.7 Voluntary income

Voluntary income is accounted for when the charity has entitlement to the funds, the amount can be reliably quantified and there is reasonable certainty of its ultimate receipt.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)**2.8 Resources expended**

Liabilities are recognised as resources expended as soon as the charity has a legal or constructive obligation committing the charity to the expenditure. Resources expended are included in the Statement of Financial Activities ("SOFA") on the accruals basis, inclusive of any VAT which cannot be recovered. Resources expended under charitable activities include all costs incurred by the charity in the delivery of goods and services directed at the achievement of its charitable objectives. These are disclosed in further detail in note 4 to the financial statements.

2.9 Grants made

Grants are expensed to the SOFA on the accruals basis and when specifically authorised.

2.10 Investment management costs

Resources expended under investment management costs are recognised on the accruals basis.

2.11 Governance costs

Resources incurred under governance costs include all specific costs of governance arrangements relating to the charity and are recognised on the accruals basis.

2.12 Tangible fixed assets and depreciation

Individual fixed assets costing greater than £5000 are capitalised at cost.

Depreciation is calculated to write down the cost of all tangible fixed assets by equal instalments over their useful lives. The periods generally applicable are:

Leasehold premises	- Length of lease
Equipment	- Between 3 and 10 years

Assets in the course of construction are not depreciated.

Equipment costs which are not financed by current year income from the MoD are capitalised at cost. Depreciation on assets is applied from the date the asset becomes available for use.

2.13 Investments

Investments are included at market values provided by the fund managers at the balance sheet date. All gains and losses, whether realised or unrealised, are included in the SOFA.

The charity also holds short term deposits for the purpose of liquidating into cash if the need arises, and these are included at market value. Such short term deposits are considered liquid resources by the charity.

2.14 Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts. Accrued income represents income receivable in respect of services provided

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)**2.15 Cash and liquid assets**

Cash at bank and cash holdings within the investment portfolio includes cash and short-term highly liquid investments with an original maturity date of three months or less. The Trustees consider both cash held within its own bank accounts and balances held by our Investment Managers when considering the liquidity of the charity.

2.16 Financial instruments

The charity recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The charity's accounting policies in respect of financial instruments transactions are explained below:

Financial assets**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the charity will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate account with the loss being recognised within administrative expenses in the SOFA. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Fair value through profit and loss

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial liabilities

The charity classifies all of its financial liabilities as liabilities at amortised cost.

2.17 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any provision for losses arising on impairment.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)**2.18 Liabilities**

Liabilities are recognised when there is a legal and constructive obligation committing the charity to the expenditure. Creditors and provisions are normally recognised at their settlement amount after allowing for trade discounts due.

2.19 Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities in foreign currencies are translated at the rates ruling at the date of acquisition, or average rate if not materially different. Exchange differences are dealt with in the SOFA. Exchange gains and losses are allocated to the appropriate income or expenditure category.

2.20 Operating lease commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

2.21 Defined benefit pension benefits

The charity had a defined benefit pension scheme which is accounted for in accordance with FRS 102. The charity measures the net defined benefit liability for its obligations under defined benefit plans at the net total of the following amounts:

- the present value of its obligation under defined benefit plans (its defined benefit obligation) at the reporting date; minus
- the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled.

The charity measures its defined benefit obligation on a discounted present value basis. The charity determines the rate used to discount the future payments by reference to market yields at the reporting date on high quality corporate bonds.

The charity uses the projected unit credit method to measure its defined benefit obligation and the related expense.

The charity only recognises a plan surplus as a defined benefit plan asset to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

The charity recognises the cost of a defined benefit plan as follows:

- the change in the net defined benefit liability arising from employee service rendered during the period in the statement of financial activity;
- net interest on the net defined benefit liability during the reporting period in the SOFA;
- plan introductions, benefit changes, curtailments and settlements in the SOFA; and
- remeasurement of the net defined benefit liability in other comprehensive income.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

The net interest on the net defined benefit liability is determined by multiplying the net defined benefit liability by the discount rate, both as at the start of the annual reporting period, taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

Interest income on plan assets, excluding the effect of any surplus that is not recoverable, is a component of the return on plan assets, and is determined by multiplying the fair value of the plan assets by the discount rate both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The difference between the interest income on plan assets and the return on plan assets is included in the remeasurement of the defined benefit liability.

Remeasurement of the net defined benefit liability comprises:

- actuarial gains and losses; and
- the return on plan assets, excluding amounts included in net interest on the defined benefit liability.

2.22 Defined contribution pension scheme

The charity recognises the contribution payable for a period;

- as a liability, after deducting any amount already paid.
- as an expense, unless another section of this FRS requires the cost to be recognised as part of the cost of an asset such as inventories or property, plant and equipment.

The pension costs charged against profits are the contributions payable to the scheme in respect of the accounting period.

2.23 Taxation

As a registered charity, income and capital gains of the charity are generally exempt from tax if applied for charitable purposes.

2.24 Forward currency contracts

Foreign currency forward contracts are used to manage currency fluctuations on purchases in foreign currency by entering into a foreign currency forward contract to match the future foreign currency commitment when due.

These are recognised at fair value using a valuation technique with any gains or losses being reported in the SOFA. Outstanding foreign currency forward contracts at the reporting date are included within debtors or creditors on the balance sheet depending on the year-end position.

2.25 Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

Where the contractual obligations of financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the income and expenditure account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

3. Incoming resources**Incoming resources from charitable activities**

The income for the year was attributable to the charity's objects as described in its Memorandum of Association. Incoming resources receivable from charitable trading activities during the year were as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
Incoming resources from charitable activities	26,303	<i>26,816</i>

The majority of the income resulted from activities delivered overseas.

During the period, the charity had contracts with the MoD for the provision of television, radio, training and film distribution services. These activities accounted for approximately 92% (2020: 89%) of the total income for the year. Services and supplies provided to the Forces on operations or stationed in the UK or overseas, but not under contract to the MoD, include the operation and management of 12 Forces cinemas (2020: 12) located in Germany, Cyprus, The Falkland Islands and the United Kingdom.

Voluntary Income

Voluntary income recognised by the charity relates to a gift aid donation from BFBS Media Limited, the charity's subsidiary undertaking.

4. Resources expended

	Grants	Direct costs	Support costs	Total funds
	2021	2021	2021	2021
	£000	£000	£000	£000
Costs paid to external parties in respect of charitable activities	-	22,804	4,660	27,464
External grants made in respect of specific requests	269	-	-	269
	269	22,804	4,660	27,733

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

Support costs were incurred as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
Staff costs	2,252	<i>1,960</i>
Depreciation	250	<i>309</i>
Other support costs	2,158	<i>2,802</i>
	4,660	<i>5,071</i>

Resources expended in Governance costs

Governance costs total £203,359 (2020: £200,588) and include £165,375 (2020: £162,133) in respect of a proportion of senior management remuneration.

Net incoming resources

Net incoming resources is stated after charging/(crediting):

	2021	<i>2020</i>
	£000	<i>£000</i>
Auditor's remuneration		
- Fees payable for the audit of the charity's annual accounts	37	<i>38</i>
- Fees payable for taxation compliance services	5	<i>6</i>
Depreciation of owned fixed assets (excluding buildings)	1,395	<i>1,670</i>
Depreciation of buildings	178	<i>285</i>
Hire of plant and machinery	20	<i>41</i>
Other operating leases	500	<i>438</i>
Foreign exchange gain	(260)	<i>(255)</i>
Loss on disposal of tangible fixed assets	139	<i>35</i>
Profit on disposal of investments	(5)	<i>(15)</i>
Trustee and employee costs	12,553	<i>11,725</i>

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Trustees and employees

The average number of employees of the charity during the year and their aggregate emoluments are shown below:

	2021	<i>2020</i>
	£000	<i>£000</i>
Wages and salaries	10,828	<i>10,126</i>
Social security costs	1,029	<i>957</i>
Defined contribution pension costs	696	<i>642</i>
	12,553	<i>11,725</i>

The average number of employees of the charity during the year was 246 (2020: 235).

	2021	<i>2020</i>
	No.	<i>No.</i>
Activities in furtherance of the charity's objects	238	<i>227</i>
Management and administration	8	<i>8</i>
	246	<i>235</i>

The remuneration of the Chief Executive and the Executive Management is set by the Remuneration Committee of the Board of Trustees, which consists solely of non-executive Trustees.

No Trustees or persons with a family or business connection with a Trustee, received remuneration or benefits in the year, directly or indirectly, from the charity. An amount of £599 for expenses (2020: £4,821) was reimbursed to 1 Trustee (2020: 5).

The nature of the expenses was travel and subsistence.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Trustees and employees (continued)

The emoluments of higher-paid employees fell within the following ranges:

	2021 No.	2020 No.
In the band £60,001 - £70,000	10	13
In the band £70,001 - £80,000	6	2
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	3	3
In the band £100,001 - £110,000	-	2
In the band £110,001 - £120,000	2	-
In the band £120,001 - £130,000	3	3
In the band £140,001 - £150,000	1	1
	=====	=====

Contributions totalling £151,211 (2020: £129,609) were paid in respect of 27 (2020: 25) higher paid employees in the year relating to the defined contribution scheme.

The Trustees consider key management personnel to comprise the members of the Senior Management Team. The total employment benefits, including employer pension contributions of the Senior Management Team were £1,079,552 (2020: £1,039,821).

6. Grant payments

	2021 £000	2020 £000
Royal Navy	13	6
Combined Services Sports	130	90
Big Salute	34	51
Live entertainment	14	226
Other grants made to the Forces	78	67
	=====	=====
	269	440

7. Investment income

	2021 £000	2020 £000
Interest receivable on short term deposits	-	20
Dividends and interest receivable from fixed asset investments	884	950
	=====	=====
	884	970

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Interest payable

	2021 £000	<i>2020 £000</i>
Interest on pension scheme liabilities	-	1,734

9. Tangible fixed assets

	Leasehold long-term £000	Leasehold short-term £000	Equipment £000	Assets under the course of construction £000	Total £000
Cost or valuation					
At 1 April 2020	1,914	6	15,177	502	17,599
Additions	-	-	90	696	786
Transfers	-	-	697	(697)	-
Disposals	-	-	(673)	(155)	(828)
At 31 March 2021	1,914	6	15,291	346	17,557
Depreciation					
At 1 April 2020	399	6	10,718	-	11,123
Provided in the year	178	-	1,396	-	1,574
Disposals	-	-	(659)	-	(659)
At 31 March 2021	577	6	11,455	-	12,038
Net book value					
At 31 March 2021	1,337	-	3,836	346	5,519
At 31 March 2020	1,515	-	4,459	502	6,476

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Investments

	Investments £000
Cost or valuation	
At 1 April 2020	22,107
Additions	392
Disposals	(385)
(Decrease)/ Increase in market value	6,847
At 31 March 2021	28,960
Net book value	
At 31 March 2021	28,960
<i>At 31 March 2020</i>	<i>22,107</i>

Investments are analysed further as:

	2021 £000	<i>2020 £000</i>
UK equities (listed)	17,337	<i>13,788</i>
Overseas equities (listed)	11,523	<i>8,025</i>
Fixed interest and cash	100	<i>294</i>
	28,960	<i>22,107</i>

Listed investments are valued at their bid price as at the balance sheet date.

If the investments had not been revalued, they would have been included on the historical cost basis at £16,034 (2020: £16,034).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

11. Debtors

	2021	<i>2020</i>
	£000	<i>£000</i>
Due within one year		
Trade debtors	681	<i>3,455</i>
Amounts owed by subsidiary	438	<i>481</i>
Other debtors	1	<i>2</i>
Prepayments and accrued income	3,094	<i>1,002</i>
Fair value of foreign currency forward contracts	53	<i>784</i>
	4,268	<i>5,724</i>

12. Cash and cash equivalents

	2021	<i>2020</i>
	£000	<i>£000</i>
Cash at bank and in hand	1,439	<i>504</i>
Less: bank overdrafts	(13)	<i>-</i>
	1,426	<i>504</i>

13. Creditors: Amounts falling due within one year

	2021	<i>2020</i>
	£000	<i>£000</i>
Bank overdrafts	13	<i>-</i>
Trade creditors	1,091	<i>1,313</i>
Social security and other taxes	1,397	<i>926</i>
Other creditors	192	<i>150</i>
Accruals and deferred income	1,936	<i>2,359</i>
Contribution owed to defined contribution pension scheme	-	<i>96</i>
	4,629	<i>4,844</i>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

Deferred incoming resources are recognised when the applicable service has been provided. The movement in deferred income is analysed below:

	2021	2020
	£000	£000
Deferred income at start of the year	1,331	1,263
Amounts recognised in the current year	(1,470)	(1,227)
Amounts deferred in the current year	758	1,295
Deferred income at end of year	619	1,331

14. Financial instruments

	2021	2020
	£000	£000
Financial assets		
Financial assets measured at fair value through profit or loss	31,069	24,012
Financial assets that are debt instruments measured at amortised cost	1,120	3,937
	32,189	27,949
	2021	2020
	£000	£000
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	-	-
Financial liabilities measured at amortised cost	(3,219)	(2,490)
	(3,219)	(2,490)

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts owed by the subsidiary undertaking.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to the subsidiary undertaking.

Financial assets/(liabilities) measured at fair value are cash, listed investments and foreign currency forward contracts. Listed investments are stated at their mid-market values as at the balance sheet date. The foreign currency forward contracts have been fair valued using observable forward exchange rates corresponding to the maturity of the contract.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. Unrestricted funds

	Income and Expenditure £000
At 1 April 2019	36,081
Deficit for year	(1,713)
Fair value movements on foreign currency forward contracts	437
Loss on investments	(4,581)
Actuarial loss relating to pension schemes	360
At 31 March 2020	30,584
Deficit for year	(520)
Fair value movements on foreign currency forward contracts	(732)
Gain on investments	6,842
Actuarial loss relating to pension schemes	-
At 31 March 2021	36,174

16. Pensions and other post-retirement benefits

The Charity previously had a Defined Benefit Pension Scheme ('the Scheme') in the United Kingdom for the benefit of its employees. The Scheme divided into two parts; a main scheme and a separate section representing the BFBS ex-civil servants who joined the Charity from the Ministry of Defence in 1983.

Buy-out policies were put in place during the year ended 31 March 2019 for the ex-MOD BFBS Section with Legal & General and on 18 May 2020 for the main scheme with Aviva. Each member has received an individual policy from either Legal & General or Aviva, as appropriate, discharging the Trustees of the Scheme from all further liability for these members' benefits.

Final Scheme accounts were prepared to 30 June 2020. These, together with a Deed of Termination, were signed on 21 July 2020 so that the Scheme was formally wound up from that date.

The treatment of pension costs in these financial statements is in accordance with the provisions of FRS102 and is assessed in accordance with the advice from an independent qualified actuary.

The current service pension cost to the Charity was £Nil (2020: £Nil).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Pensions and other post-retirement benefits (continued)

The main assumptions used by the actuary for the purpose of the FRS 102 valuation are detailed below:

	At date of transfer	<i>At 31 March 2020</i>
	%	%
Rate of increase in salaries	n/a	n/a
Rate of increase for pension in payment:		
BFBS members		
RPI maximum 3%	2.40	2.35
RPI maximum 5%	2.90	2.85
RPI maximum 2.5%	2.10	2.10
CPI no maximum	n/a	n/a
Discount rate	1.70	2.30
Inflation – RPI assumption	2.95	2.90
Inflation – CPI assumption	1.15	2.10

The underlying mortality assumption is based upon the standard table known as the S2P_L on a year of birth usage with CMI_2017 future improvement factors and a long-term rate of future improvement of 1.25% p.a. (2020: 1.25%).

The last completed actuarial valuation was carried out for the Trustees of the Pension Fund as at 31 March 2014, with further funding updates as at 31 March 2015 and 31 March 2016. For the disclosure requirements of FRS 102 Section 28 'Employee Benefits' as at 31 March 2020, the actuary updated these calculations to 31 March 2020 using membership data provided by Aviva (with whom the Pension Fund is now insured) in February 2020, together with cash flow details provided by Aviva and by the Pension Fund administrators.

The fair value of the assets in the scheme and the expected long-term rate of return assumed are as follows:

	At 31 March 2021 £000	<i>At 31 March 2020 £000</i>
Bonds	-	70,360
Total market value of assets	-	70,360
Actuarial value of scheme liabilities	-	(70,360)
Net pension (liability)/asset before de-recognition	-	26
De-recognition of pension asset	-	(26)
Net pension (liability)/asset after de-recognition	-	-

The pension plans have not invested in any of the charitable company's own financial instruments nor in properties or other assets used by the company.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Pensions and other post-retirement benefits (continued)

The amounts to be recognised in the SOFA for the year ended 31 March 2021 are as follows:

	2021	2020
	£000	£000
Administrative expenses	-	105
Interest on pension scheme liabilities	-	1,734
Expected return on scheme assets	-	(1,727)
Net pension (liability)/asset after de-recognition	-	112

The amount included in the statement of total recognised gains and losses (included within the SOFA) is:

	2021	2020
	£000	£000
Actual return less expected return on pension scheme assets	-	(1,834)
Expected less actual from expenses	-	(25)
Experience gains and losses arising on pension scheme liabilities	-	393
Change in assumptions underlying the present value of scheme liabilities	-	1,852
Change in non-recoverable surplus	-	(26)
Net actuarial gain/ (loss) recognised	-	360

Changes in the present value of the defined benefit obligations for the year ended 31 March 2021 are as follows:

	2021	2020
	£000	£000
Present value of scheme obligations at beginning of year	70,334	73,666
Interest cost	212	1,734
Benefits paid	(183)	(2,821)
Actuarial (gains)/losses	8,524	(2,245)
Settlement	(78,887)	-
Present value of scheme obligations at end of year	-	70,334

Changes in the fair value of the scheme assets for the year ended 31 March 2021 are as follows:

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021	2020
	£000	£000
Market value of scheme assets at beginning of year	70,360	73,313
Interest on plan assets excluding non-irrecoverable surplus	212	1,727
Return on assets, less interest included in SOFA	8,524	(1,834)
Benefits paid	(183)	(2,821)
Contributions paid by the charity	-	105
Admin expenses	(26)	(130)
Settlement	(78,887)	-
Market value of scheme assets at end of year	-	70,360

17. Subsidiary undertaking

	2021	2020
	£000	£000
Ordinary £1 shares	2	2

The subsidiary of the corporation, BFBS Media Limited, an entity incorporated in England and Wales, is wholly owned by the charity. The company traded as a provider of broadcast services during the year ended 31 March 2021. Its result for the year, was a net result of £Nil (2020: £Nil). Capital and reserves at 31 March 2021 were £Nil (2020: £2). See note 21 for details of related party transactions.

18. Contingent liabilities

There are no contingent liabilities as of 31 March 2021 and 2020.

19. Leasing commitments

At 31 March 2021 the Charity had future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£000	£000
Land and Buildings		
Amounts due:		
- within one year	388	382
- between one and five years	1,478	1,522
- greater than five years	1,099	1,827
	2,965	3,731

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021	2020
	£000	£000
Other		
Amounts due:		
- within one year	72	53
- between one and five years	60	130
- greater than five years	-	-
	132	183

20. Capital commitments

At 31 March 2021 the charity had capital commitments of £Nil in relation to assets in the course of construction (2020: £Nil).

21. Related party transactions

At 31 March 2021, a net amount of £438,374 (2020: £480,999) was due from BFBS Media Limited. A gift aid donation of £375,607 was made from BFBS Media Limited to the charity (2020: £502,624).

Costs of £99,565 were recharged to BFBS Media Limited during the year (2020: £61,188).

Transactions in respect of Trustees' expenses are disclosed in note 5.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

TRUSTEES AND EXECUTIVE MANAGEMENT

**BFBS
BOARD OF TRUSTEES**

CHAIRMAN

Major General Chris Wilson CB CBE

VICE CHAIRMAN

Howard Perlin FCA

TRUSTEES

Captain Graham Robinson RN

Tony Hales CBE

Deborah Loudon

Rear Admiral Anthony Rix RN CB

Helen Depree

Air Cdre Ian Tolfts

Darren Long

Vanella Jackson

David Moody

Mark Browning (resigned 22 June 2021)

SECRETARY

David Hamilton FCA

LIFE VICE-PRESIDENTS

General Sir Geoffrey Howlett KBE MC

Lieutenant General Sir Roderick Cordy-Simpson KBE CB

Michael Andrae Hon. FCIM

Air Vice-Marshal Andrew Vallance CB OBE

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

TRUSTEES AND EXECUTIVE MANAGEMENT

EXECUTIVE MANAGEMENT

CHIEF EXECUTIVE
Simon Bucks

DIRECTOR OF FINANCE
David Hamilton FCA

DIRECTOR OF FORCES BROADCASTING & ENTERTAINMENT
Nicky Ness

DIRECTOR OF DIGITAL CONTENT & TRAINING
Adam Waters

DIRECTOR OF EDITORIAL CONTENT
Lisa Mitchell

DIRECTOR OF COMMUNICATIONS
Helen Rognaldsen

DIRECTOR OF TECHNOLOGY
Ryan Lambert

DIRECTOR OF DEVELOPMENT & STRATEGY
Nick Beer

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