

**BFBS (Formerly The Services  
Sound and Vision Corporation)**

Company Limited by Guarantee

Annual Report

For the year ended

31 March 2020

Charity no 00233480

Company no 00407270

## **BFBS (Formerly The Services Sound and Vision Corporation)**

### Annual Report

For the year ended 31 March 2020

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Corporation registration number: 00407270 (incorporated in England & Wales)

Charity registration number: 00233480

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SL9 8TN

Websites [www.bfbs.com](http://www.bfbs.com)  
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Investment managers:

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12 Throgmorton Avenue  
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Independent auditor:

Grant Thornton UK LLP  
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Chartered Accountants  
1020 Eskdale Road  
Winnersh  
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## **BFBS (Formerly The Services Sound and Vision Corporation)**

Report of the Board of Trustees

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# **Trustees Report**

## **The Strategic Report and the Directors' Report**

The Board of Trustees of BFBS has pleasure in presenting its report on the activities and results for the year ended 31 March 2020.

### **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 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**

As we came towards the close of the year ended 31 March 2020, the Covid-19 outbreak presented very substantial new challenges and the role BFBS played in supporting the Forces during this period has been a high profile and widely appreciated one. With UK military communities around the world in lockdown our mission to 'entertain, inform, connect and champion' during the crisis was shown to be fundamental in maintaining morale and supporting communications.

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### Report of the Board of Trustees

We are pleased to report that through the effective implementation of our business continuity planning and the ingenuity and commitment of our staff we have managed to maintain our full range of broadcasting services globally during this period. In News, our reporters have focussed on the vital role Forces personnel played in the national effort to combat the pandemic, from running test centres, through to logistics support for the creation of Nightingale hospitals, to driving ambulances. Alongside this, our 'live and local' model with our broadcasters living and working in the heart of the military communities they serve has proved to be a powerful one, with video and audio messages from the local Commander of British Forces and/or the Senior Medical Officer produced and distributed on all BFBS platforms on a regular basis.

In addition, we are delighted to have been able to strengthen our support for the Armed Forces community 'over and above' during this critical period through a number of new initiatives, including:

- Across the network, we broadcast 37 in-house produced Covid related items on Radio, together with 7 Government/NHS advice promotions across TV & Radio and messaging on the lower part of the screen on BFBS TV channels. In addition, information on BFBS services, news and Covid information was carried on our website, [www.bfbs.com](http://www.bfbs.com).
- With quarantine rules requiring personnel to isolate on arrival for 14 days in many overseas locations, we moved quickly to set up BFBS TV services in isolation blocks and, in Brunei and Belize, through the installation of FM radio transmitters too.
- We provided free online access to over 7,000 newspapers and magazines for Forces communities globally through our partnership with Pressreader.
- Free 6-month subscriptions to NOW TV were negotiated for all military families repatriated back to the UK from overseas locations such as Nepal and Kenya deemed to be too risky in the event of a Covid outbreak.
- Entertainment through the introduction of new, bespoke, programming with a 'feelgood' focus. Our 'Friday Night In' live music show across all platforms proved to be highly popular, as did our regular 'Tuesday Night Quiz' from BFBS Cyprus which attracted over 300 teams. With outdoor events cancelled, we held a 3 day 'virtual festival' in conjunction with other radio stations with our audiences enjoying archive festival content, recorded live.
- Several online entertainment and engagement campaigns to promote physical and mental wellbeing were run including #BFBSForcesFit to encourage the Forces community to find creative ways to take exercise through lockdown. We were delighted to be supported in this initiative by Dame Kelly Holmes, who shared the details of her own particular regime, together with other well-known personalities including Rebecca Adlington OBE and Colonel Sir Tom Moore. Other campaigns included #LockdownLegends which encouraged the nomination of individuals who had made a real difference during lockdown and #ForcesVoices – our competition for Forces children to share their own 'creative lockdown masterpieces' which attracted over 200 entries.
- The live streaming of the Commonwealth Air Forces Memorial Service from Runnymede was shared across our online and TV broadcast platforms. Although no attendees were permitted at this year's service, we were pleased to be able to support the RAF in honouring the 20,000 Air Crew from the Commonwealth who gave their lives in the Second World War.

Throughout this period, it has been tremendous to receive a wide range of positive feedback from our key stakeholders in appreciation of the work we have been doing on behalf of the Forces community.

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*"I know that the single Services and UK StratCom have been impressed by your flexibility, initiative and deep understanding of your audience. The ability to target specific niche parts of the Defence community is particularly important at the moment, and it is impressive that you can do it so well".* Lieutenant General James Swift, Chief of Defence People

*"I am delighted to say that everything that I am being told or overhearing matches exactly my own perception – BFBS has excelled and Defence has every reason to be indebted to you".* Carl Newns, Director of Defence Communications

*"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 Heapey, Minister for the Armed Forces

Our Covid response support kicked off towards the end of what had already been a busy year in delivering entertainment, information and education services to our beneficiaries, as detailed below.

### Broadcasting

We continued to commemorate the 75<sup>th</sup> anniversary of BFBS during 2019. This was reflected across our programming throughout the year and with events that brought audiences, past and present together. A particular highlight was our provision of the entertainment for 80,000 members of our community at the annual Army v. Navy rugby match at Twickenham. Pop artist Fleur East delivered a #BFBS75 set on the field prior to kick off and was also honoured to perform the national anthem. The aims of our service to 'entertain, inform, connect and champion' the global Forces family, wherever they are based, have remained as they were throughout the 75 years, and now with contemporary approaches to reach audiences on as many platforms and via as many channels as possible.

We made many special programmes this year, such as our tribute on the 30<sup>th</sup> anniversary of the fall of the Berlin Wall, marking the 75<sup>th</sup> anniversary of D-Day and the Battle of Arnhem respectively, a portrait of Britain's Got Talent Winner and Chelsea Pensioner, Colin Thackeray and a fright night special from a secret nuclear bunker as the back drop to our Halloween offering. All such content, whilst featuring in our broadcast schedule, is also now made for podcast and is available for listen again. In a testament to the quality and creativity of the content we produce, we were proud that a programme we made to support the Royal Airforce LGBTQ+ community, pre and post the lifting of the ban, was accepted onto the BBC Sounds platform and featured on their front page – an opportunity for us to reach new audiences and champion important military stories. The BBC editor said, *'it's a very powerful, insightful and excellently produced documentary. A thoroughly engaging and refreshingly honest listen.'*

As always, having our BFBS teams out and about, broadcasting live from major events and connecting with our audiences directly has been a central part of our service. This year we were at HMS Collingwood Families Day (for the Field Gun finals), the RAF Cosford Air Show, Lisburn NI Armed Forces Day, the National Armed Forces Day in Salisbury, and the Royal International Air Tattoo at RAF Fairford to name just a few.

We were delighted to open our new facility in Kathmandu this year, with state-of-the-art broadcast equipment to ensure the continuing quality delivery of our services to Gurkha personnel, families and veterans around the world. Our services have been strengthened further through an increase in our live radio news bulletins in the Nepali language from 18 to 24 each day, delivered by our own team of journalists in Kathmandu. In addition, we switched on an FM transmitter in Dharan, Nepal – one of the major recruitment grounds for the Brigade of Gurkhas and increased our coverage in the UK too through the installation of new FM and AM transmitters. The strengthened services we provide for the Gurkha community are seen as an essential pillar of welfare support by the Army.

*The Chairman reiterated the important role that Gurkha Radio BFBS plays in the lives of the serving, their dependants, veterans and the wider community across the world. It is encouraging to see BFBS at the forefront of technical development with the likes of MiPlayer and the benefit it has in operational theatres and in remote parts of Nepal. BFBS not only provides the vital link back to Nepal but between Brigade of Gurkha units spread across the UK and worldwide.* Maj Narendra K Gurung, DCOS, HQBG, minutes, annual Advisory meeting.

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Our dedicated presenters picked up a variety of awards this year, including a gold and a bronze at the national community radio celebrations and a place on the UK audio industry's '30 Under 30' list, representing the very best of young talent working in the medium.

The BFBS TV service for our Forces deployed overseas was enhanced further with the addition of two more channels – Channel 4 and Channel 5. At the same time our own compiled channel, BFBS Extra, now comprises 1,000 hours of new content each month from over 35 different suppliers including UK broadcasters, Amazon Prime and US film studios. The unique rights relationships we have established allowed us to show over 70 premium films on BFBS Extra during Christmas & New Year including the blockbuster Avengers: Endgame. Our sports coverage remains unrivalled with live premium action from Sky, BT and Amazon Prime, in partnership with the major sporting federations.

Our news team has had a busy year producing content about the work of the UK military and the issues affecting them. Stories covered have included military aid during the flooding in the north of England, UK aid effort to Caribbean Islands hit during the hurricane season, the 50<sup>th</sup> anniversary of Op Banner in Northern Ireland and extensive coverage of the 75<sup>th</sup> Anniversary of D Day, the HMS Queen Elizabeth where we were onboard as British F35s landed on deck for the first time, coverage of NATO and allied operations and exercises including those in Norway, Estonia and Lithuania, the growing importance of cyber as a military domain, the work of the Forces in peacekeeping, engineering and training roles in Africa and mental health issues for serving military and veterans.

Our radio news teams broadcast every hour, 365 days a year with a service that combines military, national and international news to ensure the serving audience, wherever it is deployed, is kept in touch. Sitrep, our discussion programme which takes a strategic look at Defence, remains an important part of our output and was honoured this year with a New York Festivals Radio Award.

The number of people accessing our content – particularly through digital platforms – is increasing significantly and we now have over 500,000 unique visitors to our website, [www.forces.net](http://www.forces.net) each month, with the number of subscribers to our Youtube channel in excess of 300,000. Alongside this progress the audience reach for our news programme on Forces TV averages 240,000 per month. We are delighted to have had the opportunity to share our Forces content across all these platforms with increasingly large audiences – comprising serving personnel, veterans, reservists, families, potential recruits and members of the public.

### **BFBS Academy**

The BFBS Academy was launched in 2017 and since then 43 veterans and service leavers have successfully graduated from our unique one-year training course in Creative Media Production, culminating in an HNC qualification. Of our graduates, approximately 85% have established new careers for themselves in the media industry at organisations such as Pinewood Studios, Farm Post Production House, Endemol and with ourselves, here at BFBS.

Our Academy students represent a diverse mix, spanning all 3 services, ranks, ages and backgrounds and, in making the selections, particular consideration was given to those who suffered injury during their time in service – including PTSD and amputees. The funding for the venture was provided by the Royal British Legion and by the LIBOR Fund and we are very grateful to them for their support.

In addition to support for veterans, the Academy also provides media training for the Forces community more widely through a range of initiatives:

Military Spouses – a bespoke digital and social media training programme for military spouses, funded by the Armed Forces Covenant Trust. The programme is run online by our social media coaches and we are pleased to have been able to provide training for a total of 86 spouses during its first year.



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Military Charities & Covenant Grant Holders – video production and social media training, also funded by the Armed Forces Covenant Trust. Our training helps these organisations become more effective in getting the message out about the work they do in supporting their Forces community beneficiaries.

Serving personnel and reservists – training courses in digital skills, video production, media interviewing and team building.

### BFBS Creative - Video Production, Digital & Social Media Support

This year we combined our video production, digital & social media support activities under a new banner, 'BFBS Creative'. As media professionals and a military charity, leveraging our professional expertise to support the Forces in this way is proving to be an increasingly valued service.

Work in this area has included the production of safety videos for military personnel travelling to the Falklands and Cyprus, videos for the MoD in the launch of policy initiatives on 'flexible working', 'the future accommodation model', 'transformation' and 'local overseas allowances' and videos and creative support for the RAF Marketing team, including for their RAFX event. In addition, in our largest single project so far, we are working closely with the Army to support the roll out of their new communications network, 'Defence Connect'.

We are also pleased to have been able to support our colleagues in the military charity sector including the Officers Association, Royal Air Force Families Federation and the Royal Navy and Royal Marines Charity. In addition, we have launched a new initiative, 'Helping Hand' to support smaller Forces charities with free, bespoke communications support.

Finally, we have been delighted and honoured to see the work of BFBS Creative recognised in the industry more widely at the Third Sector Awards where we were winners of the 'Agency of the Year' and 'Best In-House Digital Team' categories.

### Forces Cinemas

Although the drawdown of British Forces Germany has reduced the number of cinemas in military bases around the world from 14 to 12, our Cinelink proposition has gone from strength to strength. This portable cinema technology now provides up to date films to 63 locations, including nearly all of the UK's military operations globally.

*Good afternoon. If only defeating Thanos was easy as downloading new movies onto Cinelink, half the universe would have been saved within the first few mins. Looking forward to Avengers endgame. Thankyou! Cpl Daniel Tyson, UK NSE (Kuwait)*

This year we were proud to deliver our first-ever on-release screening for patients and their families at the Defence Medical Rehabilitation Centre (DMRC), a £300 million facility providing treatment for members of the Armed Forces who have suffered major trauma or injury during their service. This was the result of a close collaboration between ourselves and the DMRC Benevolent Fund which funded the cinema equipment and we were delighted with the positive feedback we received.

*Thank you for an incredible opportunity to give my family a magical experience in my medical setting, which has always been a challenging environment for my three-year-old daughter. My little girl was excited to have mummy dressed up with her as Elsa to watch the movie (Frozen 2). Giving my daughter positive memories of her visit to watch the movie means the world to me."*  
Patient Major Caroline Way

Our mobile cinema has been out and about throughout the year to garrisons and bases, from Scotland to Wales and the West Country and all points in between, delivering free screenings to the Forces and cadet communities, supported through our partnership with Sky. There's nothing like the latest big screen

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premier to bring a community together and thousands of people have been on board our truck in 2019/20. The service is funded through our partnership with Sky who have confirmed that their support will continue so this popular asset will continue to deliver morale and entertainment where it's needed most.

#### Live Entertainment

The number of events delivered by our small team has increased to more than 70 in the financial year. These have comprised a real mix of activity – from stage shows, comedy events, sporting and celebrity visits, big screen activity, conferences, awards and diversity days, to tailored content for families and children.

Live entertainment shows for operational troops deployed away from home have been a priority and Afghanistan, Bahrain, Minhad, Cyprus, Estonia, Poland and the Falkland Islands have all had visits this year.

*'The show was fantastic and it is an essential charity that maintains the morale of deployed forces when on operations or in camp'.* Capt. Brown, Royal Scots Dragoon Guards (Poland)

We have also been to all of the UK's Patient Recovery Centres and our shows for the veteran community have included our annual event at the Royal Hospital Chelsea, a show for the residents of the Bournemouth Memorial Home and two visits to the Battleback Centre at Lilleshall.

*'Those attending really had a great time and were full of praise, both for the entertainers and the technical team. The comments of the veterans were resoundingly positive and to gain such plaudits takes some doing as they can be a very difficult group to please'.* Christopher Joynson, Operations Manager, Battleback

Our younger audiences were not neglected and we were front and centre at 'Cadetfest 2019', where we delivered a bespoke show for 800 RAF Cadets who had worked tirelessly in the pouring rain for several days to support the Royal International Air Tattoo.

*'What can I say but a huge THANK YOU to you and your team and to the performers who attended the show. The whole evening was a resounding success, cadets and staff are still talking about it being the best cadet camp they have ever been on'.* Wg Cdr Darran Williams, Det Cdr

Finally, in a new venture for us, we designed and delivered an event that brought together Joint Hospital Group South for a day of talks from inspirational speakers discussing a range of topics designed to inspire and motivate the unit, many of whom are reservists, all of whom are scattered across the region and rarely come together at the same time. The feedback was resoundingly positive

*'This was a fantastic event in an amazing environment. Everyone was fully engaged, and the organisation of the event was flawless. The effect this has on morale cannot be underestimated'* Attendee anonymous feedback form

#### BFBS 'Big Salute' Campaign and the BFBS Welfare Fund

Our annual BFBS 'Big Salute' campaign sees funds raised by listeners and viewers of our services, together with our staff through events, sponsored activity and personal donations. This year we raised £54k from these combined efforts and our Trustees agreed, through the BFBS Welfare Fund, to apply a 'match funding' approach which doubled the total amount to £108k. This was then awarded to qualifying military charities who bid for grants to complete specific projects.

The commitment of our Trustees to support Combined Services Sport was reinforced further this year and grants issued from the Welfare Fund now cover 16 activities – Athletics, Basketball, Cricket, Football, Golf, Hockey, Ice Hockey, Indoor Climbing, Judo, Tennis, Martial Arts, Netball, Sailing, Squash, Swimming and Winter Sports.

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Other projects supported included equipment for the Falkland Islands Military Wives Choir, a sound system for the Guards Chapel (Household Division), toys for the Brunei Garrison nursery, audio visual equipment for the Royal Irish Regiment welfare facility, a community allotment development in Gibraltar and the running of a summer football academy at Brize Norton.

#### Financial Review

The incoming resources of the charity increased to £28,289,000 (2019: £27,168,000). Total resources expended were closely in line with incoming resources at £30,002,000 (2019: £27,417,000).

The operating deficit before other recognised gains and losses was £1,713,000 (2019: deficit of £249,000). Additional detailed financial information is shown on pages 18 to 38.

#### 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 2020, 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 other Charity Common Investment Funds and the FTSE All Share index.

The investment portfolio stood at £22,107,000 as at 31 March 2020, down £3,631,000 compared to £25,738,000 as at 31 March 2019. This decrease occurred in the closing part of the financial year due to the impact of the Covid-19 pandemic and mirrored the impact across equity markets globally. The

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### **Report of the Board of Trustees**

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underlying decline in the value of the portfolio over the year was 14.1%, compared to a decline of 21.9% for the FTSE All Share index.

#### **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.

#### **Covid-19**

The Covid-19 pandemic presents sizeable risks to our organisation given that, with the global UK military community in lockdown, the provision of the highest level of support for them will be critical. Any shortfall in services could result in reputational damage and, potentially, financial penalties from the MoD.

We are pleased to report that, so far, the implementation of our business continuity plan and the tremendous commitment shown by our staff has succeeded in, very largely, mitigating the impact on BFBS services of the outbreak. Technical solutions have been put in place to facilitate global broadcasting to our Forces audiences with only a minimum presence of approximately 15% of our team on site at our studios. In some areas we have gone even further and strengthened services by introducing more live and local programming to ensure our audiences are kept fully informed throughout this period.

Inevitably though, some of the support and services we provide for our beneficiaries has been compromised. Face to face training at the BFBS Academy was no longer possible and, as a mitigating step, our team switched to remote working for the rest of the academic year. Despite these challenges, the students completed their course based on this model, culminating in a graduation ceremony held over Zoom.

Covid restrictions have also meant that both our fixed and mobile cinema services have been put on hold, as has the provision of live entertainment shows. Our teams who work in these areas stay in close touch with industry colleagues in planning for a return to something 'nearer to normal' at some point and in September 2020 we were able to welcome back a limited number of audience members to socially distanced cinema screenings.

#### **MoD Broadcasting Contract**

A substantial proportion of the charity's revenue comes from the MoD Broadcasting Contract, which ends in 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.

To mitigate any risk of losing the contract our focus is on providing an as strong as possible 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.

#### **Technology Investment**

There is a risk that, without sufficient investment in technology and cyber security in respect of both equipment and expertise, the Charity could be (a) unable to deliver all the services required by the MoD and (b) less well placed to bid for and win new work.

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To mitigate this risk the Board has implemented a substantial programme of investment 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.

#### **Pension Scheme Funding**

The funding of the Final Salary Pension Scheme has represented the most significant financial risk for the Charity in recent years. The Board has sought to address this issue through an active policy of 'de-risking', starting with the closure of the scheme to future service accrual in April 2009, followed by buy-in in April 2017 and, finally, with a full buy-out in July 2020. In concluding this work, the Trustees are pleased to have secured the benefits of all of the members of the scheme, with responsibility for the payment of future pensions having transferred to Aviva and to Legal & General.

From the Charity's perspective, the remaining exposure as at 31 March 2020 was limited to the payment of the expenses associated with the wind-up of the scheme and this item can now be removed from our organisation's risk register.

#### **Reserves policy**

At 31 March 2020, the charity held 'unrestricted funds – other charitable funds' totalling £30,584,000 (2019: £36,081,000). 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.

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#### **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.

#### **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 2020 was 12 (2019: 9).

#### **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



## BFBS (Formerly The Services Sound and Vision Corporation)

### Report of the Board of Trustees

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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 40) 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

Mark Browning

Rear Admiral Anthony Rix - 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 - appointed 3 October 2019

Vanella Jackson - appointed 3 October 2019

David Moody - appointed 3 October 2019

#### 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

## **BFBS (Formerly The Services Sound and Vision Corporation)**

### Report of the Board of Trustees

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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 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, and totalled £440,000 (2019 £382,000). 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, 33 applications for grants were received, all of which were either partially or fully awarded. The average value of grants made during the year was £13,351.

#### **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



## BFBS (Formerly The Services Sound and Vision Corporation)

### Report of the Board of Trustees

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- 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.

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**

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*

Maj-Gen Christopher Wilson  
Chair of Trustees

Date: 9/12/2020  
Chair of Trustees

Charity no: 00233480  
Company no: 00407270



## Independent auditor's report to the members of BFBS (Formerly The Services Sound and Vision Corporation)

### Opinion

We have audited the financial statements of BFBS (the 'charitable company') for the year ended 31 March 2020, 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 2020 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.

### The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that



## Independent auditor's report to the members of BFBS (Formerly The Services Sound and Vision Corporation)

may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the charity, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, set out on pages 1 to 13, 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



## Independent auditor's report to the members of BFBS (Formerly The Services Sound and Vision Corporation)

- 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

### **Responsibilities of trustees for the financial statements**

As explained more fully in the Trustees' Responsibilities Statement set out on pages 12 to 13, 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](http://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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



## Independent auditor's report to the members of BFBS (Formerly The Services Sound and Vision Corporation)

*Grant Thornton UK LLP*

**Mark Bishop FCA**

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Reading

Date: 9/12/2020

**BFBS (Formerly The Services Sound and Vision Corporation)**

## Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 31 March 2020

	Note	2020	2019
		£'000	£'000
<b>Incoming resources</b>			
Investment income	5	970	892
Voluntary income	1	503	323
Incoming resources from charitable activities	1	<u>26,816</u>	<u>25,953</u>
<b>Total incoming resources</b>		<b>28,289</b>	<b>27,168</b>
<b>Resources expended</b>			
Investment management costs		(147)	(141)
Costs in respect of charitable activities	2	<u>(29,654)</u>	<u>(27,081)</u>
Governance costs	2	<u>(201)</u>	<u>(195)</u>
<b>Total resources expended</b>		<b>(30,002)</b>	<b>(27,417)</b>
<b>Operating surplus/(deficit) before other recognised gains and losses</b>		<b><u>(1,713)</u></b>	<b><u>(249)</u></b>
<b>Other recognised (losses)/gains:</b>			
Fair value movements on foreign currency forward contracts		437	950
Unrealised (loss)/gain on investments		<u>(4,581)</u>	<u>913</u>
Actuarial gain/(loss) on defined benefit pension scheme	13	<u>360</u>	<u>(34)</u>
<b>Total other recognised (losses)gains</b>		<b>(3,784)</b>	<b>1,829</b>
<b>Net movement in funds</b>		<b><u>(5,497)</u></b>	<b><u>1,580</u></b>
<b>Reconciliation of funds:</b>			
Total funds brought forward		<u>36,081</u>	<u>34,501</u>
<b>Total funds carried forward</b>		<b><u>30,584</u></b>	<b><u>36,081</u></b>

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

All funds are unrestricted.

All operations are classed as continuing.

The accounting policies and notes on pages 21 to 38 form an integral part of these financial statements

**BFBS (Formerly The Services Sound and Vision Corporation)**

## Balance Sheet

For the year ended 31 March 2020

	Note	2020	2019
		£'000	£'000
<b>Fixed assets</b>			
Tangible assets	7	6,476	7,047
Investments	8	22,107	25,738
		<b>28,583</b>	32,785
<b>Current assets</b>			
Debtors	9	5,724	4,268
Investments – bank deposits		617	3,900
Cash at bank and in hand		504	533
		<b>6,845</b>	8,701
<b>Creditors: amounts falling due within one year</b>	10	<b>(4,843)</b>	(5,052)
<b>Net current assets</b>		<b>2,002</b>	3,649
<b>Total assets less liabilities excluding pension scheme liability</b>		<b>30,584</b>	36,434
Pension liability	13	-	(353)
<b>Total assets less liabilities including pension scheme liability</b>		<b>30,584</b>	36,081
<b>Funds of the charity</b>			
Total Unrestricted charitable funds	12	30,584	36,081

All funds are unrestricted.

The financial statements were approved by the Board on 9/12/2020

*Chris Wilson*Maj-Gen Christopher Wilson  
Chair of Trustees

Charity no: 00233480

Company no: 00407270

The accounting policies and notes on pages 21 to 38 form an integral part of these financial statements

**BFBS (Formerly The Services Sound and Vision Corporation)**

## Cash Flow Statement

For the year ended 31 March 2020

	2020 £'000	2019 £'000
<b>Cash flows from operating activities</b>		
Operating (loss)/surplus	(1,713)	(249)
<b>Adjustments for:</b>		
Depreciation of tangible assets	1,821	1,616
Loss/(Profit) on disposal of tangible assets	35	(4)
Profit on disposal of investments	(15)	(5)
Interest income	(20)	(37)
Dividends received	(950)	(855)
Decrease/(increase) in debtors	(1,020)	1,179
Decrease in creditors	(209)	(880)
Movement related to defined benefit pension scheme	7	319
<b>Net cash used in operating activities</b>	<b>(2,064)</b>	<b>1,084</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,764)	(1,736)
Sale of tangible fixed assets	480	267
Purchase of investments	(1,997)	(1,258)
Sale of investments	1,063	408
Sale/ (purchase) of deposits	3,283	(426)
Interest income	20	37
Dividends received	950	855
<b>Net cash generated from investing activities</b>	<b>2,035</b>	<b>(1,853)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(29)</b>	<b>(769)</b>
Cash and cash equivalents at beginning of year	533	1,302
<b>Cash and cash equivalents at the end of year</b>	<b>504</b>	<b>533</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	504	533

The accounting policies and notes on pages 21 to 38 form an integral part of these financial statements



## **BFBS (Formerly The Services Sound and Vision Corporation)**

Principal accounting policies

For the year ended 31 March 2020

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### **Accounting convention**

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 2015) - (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 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 14.

The principal accounting policies for the charitable company are set out below.

### **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.

### **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.

### **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.

**BFBS (Formerly The Services Sound and Vision Corporation)**

Principal accounting policies

For the year ended 31 March 2020

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**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.

**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.

**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.

**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 2 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.

## **BFBS (Formerly The Services Sound and Vision Corporation)**

Principal accounting policies

For the year ended 31 March 2020

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### **Tangible fixed assets and depreciation**

Individual fixed assets costing greater than £500 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.

### **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.

### **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.

### **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.

### **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

**BFBS (Formerly The Services Sound and Vision Corporation)****Principal accounting policies**

For the year ended 31 March 2020

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significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company 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.

**Investments in subsidiaries**

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

**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.

**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.

**Operating lease commitments**

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

**BFBS (Formerly The Services Sound and Vision Corporation)**

Principal accounting policies

For the year ended 31 March 2020

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**Defined benefit pension benefits**

The charity has 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.

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.

## **BFBS (Formerly The Services Sound and Vision Corporation)**

Principal accounting policies

For the year ended 31 March 2020

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### **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.

### **Taxation**

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

### **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.

### **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.

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.

**BFBS (Formerly The Services Sound and Vision Corporation)**

Notes to the Financial Statements

For the year ended 31 March 2020

**1 Incoming resources****1.1 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:

	2020 £'000	2019 £'000
Incoming resources from charitable activities	<u>26,816</u>	<u>25,953</u>

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 89% (2019: 82%) 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 (2019: 14) located in Germany, Cyprus, The Falkland Islands and the United Kingdom.

**1.2 Voluntary Income**

Voluntary income recognised by the charity relates to a gift aid donation from BFBS Media Limited, the charity's subsidiary undertaking.

**2 Resources expended**

Resources expended in:	Grants £'000	Direct costs £'000	Support costs £'000	2020 Total £'000	2019 Total £'000
Costs paid to external parties in respect of charitable activities	-	24,143	5,071	29,214	26,699
External grants made in respect of specific requests (note 4)	<u>440</u>	<u>-</u>	<u>-</u>	<u>440</u>	<u>382</u>
	<u>440</u>	<u>24,143</u>	<u>5,071</u>	<u>29,654</u>	<u>27,081</u>

**BFBS (Formerly The Services Sound and Vision Corporation)**

## Notes to the Financial Statements

For the year ended 31 March 2020

**Resources expended (continued)**

Support costs were incurred as follows:

	2020 £'000	2019 £'000
Staff costs	1,960	1,608
Depreciation	309	51
Other support costs	2,802	2,263
	<u>5,071</u>	<u>3,922</u>

**Resources expended in Governance costs**

Governance costs total £200,588 (2019: £194,650) and include £162,133 (2019: £158,178) in respect of a proportion of senior management remuneration.

**Net incoming resources**

Net incoming resources is stated after charging/(crediting):

	2020 £'000	2019 £'000
Auditor's remuneration		
- Fees payable for the audit of the charity's annual accounts	38	35
- Fees payable for taxation compliance services	6	2
Depreciation of owned fixed assets (excluding buildings)	1,670	1,587
Depreciation of buildings	285	29
Hire of plant and machinery	41	65
Other operating leases	438	377
Foreign exchange gain	(255)	(214)
Loss on disposal of tangible fixed assets	35	(4)
Profit on disposal of investments	(15)	0
Trustee and employee costs (see note 3)	<u>11,725</u>	<u>10,717</u>



**BFBS (Formerly The Services Sound and Vision Corporation)**

## Notes to the Financial Statements

For the year ended 31 March 2020

**3****Trustees and employees**

The average number of employees of the charity during the year and their aggregate emoluments are shown below:

	2020 £'000	2019 £'000
Wages and salaries	10,126	9,218
Social security costs	957	886
Defined contribution pension costs	642	613
	<u>11,725</u>	<u>10,717</u>

The average number of employees of the charity during the year was 235 (2019: 230).

	2020 Number	2019 Number
Activities in furtherance of the charity's objects	227	222
Management and administration	8	8
	<u>235</u>	<u>230</u>

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 £4,821 for expenses (2019: £1,771) was reimbursed to 5 Trustees (2019: 5).

The emoluments of higher-paid employees fell within the following ranges:

	2020	2019
£60,001 - £70,000	13	6
£70,001 - £80,000	2	2
£80,001 - £90,000	1	2
£90,001 - £100,000	3	1
£100,001 - £110,000	2	2
£110,001 - £120,000	-	1
£120,001 - £130,000	3	1
£130,001 - £140,000	-	-
£140,001 - £150,000	<u>1</u>	<u>2</u>

Contributions totalling £129,609 (2019: £98,206) were paid in respect of 25 (2019: 17) higher paid employees in the year relating to the defined contribution scheme.

**BFBS (Formerly The Services Sound and Vision Corporation)**

## Notes to the Financial Statements

For the year ended 31 March 2020

**Trustees and employees (continued)**

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 £1,039,821 (2019: £1,056,221).

**4 Grant payments**

External grants have been made to the following institutions during the year, in pursuance of the charity's objectives:

	2020 £'000	2019 £'000
Royal Navy	6	21
Combined Services Sports	90	80
Big Salute	51	35
Live entertainment	226	189
Other grants made to the Forces	67	57
	<u>440</u>	<u>382</u>

**5 Investment income**

	2020 £'000	2019 £'000
Interest receivable on short term deposits	20	37
Dividends and interest receivable from fixed asset investments	950	855
	<u>970</u>	<u>892</u>

**6 Interest payable**

	2020 £'000	2019 £'000
Interest on pension scheme liabilities	<u>1,734</u>	<u>1,837</u>

**BFBS (Formerly The Services Sound and Vision Corporation)**

Notes to the Financial Statements

For the year ended 31 March 2020

**7 Tangible fixed assets**

	Leasehold long-term	Leasehold short-term	Equipment	Assets under the course of construction	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2019	171	6	14,901	1,272	16,350
Additions	1,743	-	446	1,738	3,927
Disposals	-	-	(170)	(345)	(515)
Transfers	-	-	-	(2,163)	(2,163)
At 31 March 2020	1,914	6	15,177	502	17,599
<b>Depreciation</b>					
At 1 April 2019	115	6	9,182	-	9,303
Provided in the year	284	-	1,670	-	1,954
Disposals	-	-	(135)	-	(135)
At 31 March 2020	399	6	10,718	-	11,123
<b>Net book amount at 31 March 2020</b>	<b>1,515</b>	<b>-</b>	<b>4,459</b>	<b>502</b>	<b>6,476</b>
Net book amount at 31 March 2019	56	-	5,719	1,272	7,047

**8 Investments**

	2020 £'000	2019 £'000
At 1 April 2019	25,738	23,970
Additions	1,997	855
Disposals	(1,047)	-
(Decrease) / Increase in market value	(4,581)	913
At 31 March 2020	22,107	25,738
Investments are analysed further as:		
UK equities (listed)	18,574	17,387
Overseas equities (listed)	3,497	8,297
Fixed interest and cash	36	54
	22,107	25,738

**BFBS (Formerly The Services Sound and Vision Corporation)**

## Notes to the Financial Statements

For the year ended 31 March 2020

**Investments (continued)**

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 the following amount:

	2020 £'000	2019 £'000
Cost	<u>16,034</u>	<u>14,937</u>

**9 Debtors**

	2020 £'000	2019 £'000
Trade debtors	3,455	2,580
Amounts owed by subsidiary (note 18)	481	262
Other debtors	2	3
Prepayments and accrued income	1,002	1,076
Fair value of foreign currency forward contracts	<u>784</u>	<u>347</u>
	<u>5,724</u>	<u>4,268</u>

**10 Creditors: amounts falling due within one year**

	2020 £'000	2019 £'000
Trade creditors	1,312	1,658
Social security and other taxes	926	643
Other creditors	150	204
Accruals and deferred income	2,359	2,463
Contribution owed to defined contribution pension scheme	<u>96</u>	<u>84</u>
	<u>4,843</u>	<u>5,052</u>

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

	£'000
Deferred income at 1 April 2019	1,263
Amounts recognised in the current year	(1,227)
Amounts deferred in the current year	<u>1,295</u>
	<u>1,331</u>
Deferred income at 31 March 2020	

**BFBS (Formerly The Services Sound and Vision Corporation)**

## Notes to the Financial Statements

For the year ended 31 March 2020

**11 Financial instruments**

	2020 £'000	2019 £'000
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	24,012	30,518
Financial assets that are debt instruments measured at amortised cost	3,937	2,845
	<u>27,949</u>	<u>33,362</u>
<b>Financial Liabilities</b>		
Financial liabilities measured at fair value through profit or loss	-	-
Financial liabilities measured at amortised cost	(2,490)	(3,062)
	<u>(2,490)</u>	<u>(3,062)</u>

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.

**12 Unrestricted funds**

	Income and expenditure £'000
<b>At 1 April 2018</b>	34,501
Deficit for year	(249)
Fair value movements on foreign currency forward contracts	950
Gain on investments	913
Actuarial loss relating to pension schemes	(34)
<b>At 31 March 2019</b>	<u>36,081</u>
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
<b>At 31 March 2020</b>	<u>30,584</u>

**BFBS (Formerly The Services Sound and Vision Corporation)**

Notes to the Financial Statements

For the year ended 31 March 2020

**13 Pensions and other post-retirement benefits**

The Charity has a Defined Benefit Pension Scheme in the United Kingdom, for the benefit of its employees. The assets of the Scheme are administered by Trustees in a fund independent from the assets of the Charity.

The Scheme is 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.

In September 2014, the Trustees of the Scheme applied all of the assets of the ex-MOD BFBS Section to purchase a buy-in annuity policy with Legal & General, to cover all the benefits for the members of that section. A reconciliation and data cleansing process was completed in June 2018, and at that point the policy was converted to a buy-out. Each member has received an individual policy from Legal & General in their own name, discharging the Trustees of the Scheme from all further liability for these members' benefits.

A buy-in of the main scheme was concluded in April 2017 with Aviva Life & Pensions UK Limited. The buy-in removed risk from the pension scheme through a bulk annuity purchase at a cost to BFBS, in excess of the value of the assets held in the Scheme, of £5,621,303.

At 31 March 2020 the Scheme's only investment was this policy, and the market value of the Scheme's assets was £70,360,000 (2019: £73,313,000).

Subsequent to the year end the Aviva policy was converted from a buy-in to a buy-out on 18 May 2020. This was then followed by the formal winding up of the Scheme, with the deed of termination signed on 21 July 2020. Responsibility for the payment of future benefits for members of the main scheme now sits with Aviva, while that for members of the separate ex-MOD BFBS Section is with Legal & General.

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 (2019: £Nil).

**BFBS (Formerly The Services Sound and Vision Corporation)**

## Notes to the Financial Statements

For the year ended 31 March 2020

**Pensions and other post-retirement benefits (continued)**

The fair value of the assets in the scheme and the expected long-term rate of return assumed are as follows:

	2020 £'000	2019 £'000
Bonds	70,360	73,313
Total market value of assets	70,360	73,313
Actuarial value of scheme liabilities	(70,334)	(73,666)
Net pension (liability)/asset before de-recognition	26	(353)
De-recognition of pension asset	(26)	-
Net pension (liability)/asset after de-recognition	-	(353)

The pension plans have not invested in any of the company's own financial instruments nor in properties or other assets used by the company.

The amounts to be recognised in the SOFA for the year ended 31 March 2020 are as follows:

	2020 £'000	2019 £'000
Past service cost	-	381
Administrative expenses	105	(50)
Recognised in arriving at operating profit	105	331
Interest on pension scheme liabilities	1,734	1,837
Expected return on scheme assets	(1,727)	(1,849)
Total recognised in the profit and loss account	112	319

The amount included in the statement of total recognised gains and losses (included within the SOFA) is:

	2020 £'000	2019 £'000
Actual return less expected return on pension scheme assets	(1,834)	3,826
Expected less actual from expenses	(25)	(1)
Experience gains and losses arising on pension scheme liabilities	393	(895)
Change in assumptions underlying the present value of scheme liabilities	1,852	(3,250)
Change in non-recoverable surplus	(26)	286
Net actuarial gain/ (loss) recognised	360	(34)

**BFBS (Formerly The Services Sound and Vision Corporation)**

## Notes to the Financial Statements

For the year ended 31 March 2020

**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:

	2020 %	2019 %
Rate of increase in salaries	n/a	n/a
Rate of increase for pension in payment:		
BFBS members		
RPI maximum 3%	2.35	2.55
RPI maximum 5%	2.85	3.30
RPI maximum 2.5%	2.10	2.25
CPI no maximum	n/a	2.40
Discount rate	2.30	2.40
Inflation – RPI assumption	2.90	3.40
Inflation – CPI assumption	2.10	2.40

The underlying mortality assumption is based upon the standard table known as the SAPS Lighter mortality table, with the CMI\_2009 allowance for future improvements and a long-term rate of improvement of 1.25% p.a. (2019: 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.

Changes in the present value of the defined benefit obligations for the year ended 31 March 2020 are as follows:

	2020 £'000	2019 £'000
Present value of scheme obligations at beginning of year	73,666	81,532
Interest cost	1,734	1,837
Benefits paid	(2,821)	(2,985)
Loss/(gain) on plan changes	-	381
Actuarial gains/(losses)	(2,245)	4,145
Settlement	-	(11,244)
Present value of scheme obligations at end of year	70,334	73,666



**BFBS (Formerly The Services Sound and Vision Corporation)**

## Notes to the Financial Statements

For the year ended 31 March 2020

**Pensions and other post-retirement benefits (continued)**

Changes in the fair value of the scheme assets for the year ended 31 March 2020 are as follows:

	2020 £'000	2019 £'000
Market value of scheme assets at beginning of year	73,313	81,818
Interest on plan assets excluding non-irrecoverable surplus	1,727	1,849
Return on assets, less interest included in SOFA	(1,834)	3,826
Benefits paid	(2,821)	(2,985)
Contributions paid by the charity	105	302
Admin expenses	(130)	(253)
Settlement	-	(11,244)
	<u>70,360</u>	<u>73,313</u>
Market value of scheme assets at end of year		

**14 Subsidiary undertaking**

	2020 £	2019 £
Ordinary £1 shares	<u>2</u>	<u>2</u>

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 2020. Its result for the year, was a net result of £ nil (2019: £nil). Capital and reserves at 31 March 2020 were £2 (2019: £2). See note 18 for details of related party transactions.

**15 Contingent liabilities**

There are no contingent liabilities as of 31 March 2020 and 2019.

**16 Leasing commitments**

At 31 March 2020 the charity had future minimum lease payments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Amounts due:				
- within one year	382	371	53	62
- between one and five years	1,522	1,518	130	111
- greater than five years	1,827	1,849	-	-
	<u>3,731</u>	<u>3,738</u>	<u>183</u>	<u>173</u>

## **BFBS (Formerly The Services Sound and Vision Corporation)**

Notes to the Financial Statements

For the year ended 31 March 2020

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### **17 Capital commitments**

At 31 March 2020 the charity had capital commitments of £Nil in relation to assets in the course of construction (2019: £Nil).

### **18 Related party transactions**

At 31 March 2020, a net amount of £480,999 (2019: £262,494) was due from BFBS Media Limited. A gift aid donation of £502,624 was made from BFBS Media Limited to the charity (2019: £322,956).

Costs of £61,188 were recharged to BFBS Media Limited during the year (2019: £24,097).

Transactions in respect of Trustees' expenses are disclosed in note 3.

**BFBS (Formerly The Services Sound and Vision Corporation)**

Trustees and Executive Management

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**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

Mark Browning

Rear Admiral Anthony Rix RN CB

Helen Depree

Air Cdre Ian Tolfts

Darren Long

Vanella Jackson

David Moody

**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 (Formerly The Services Sound and Vision Corporation)**

Trustees and Executive Management

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**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 COMMUNICATIONS  
Helen Rognaldsen

DIRECTOR OF TECHNOLOGY  
Ryan Lambert

DIRECTOR OF DEVELOPMENT & STRATEGY  
Nick Beer

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