

Fire Fighters Charity

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

31 March 2020

Company Registration Number: 4480058

Charity Registration Number: 1093387

Scottish Charity Registration Number: SC040096

Fire Fighters Charity

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Fire Fighters Charity

LEGAL AND ADMINISTRATIVE INFORMATION

PATRON

Her Majesty the Queen

TRUSTEES:

Andrew Lynch, Chair
Peter Davies, Deputy Chair
John Baines
Andrew Best
David Stuart Brown (resigned 11 April 2019)
Paul Fuller
Neil Gibbins
Harvey Grenville (resigned 4 August 2019)
Robert Andrew Hickmott
Rowena Hill (resigned 13 August 2019)
Jane Nicklin
Simon Routh-Jones
Christopher Wilson (resigned 20 November 2019)
George Wood

Fire Fighters Charity is a company limited by guarantee.

Registered in England Number 4480058
Charity Registration No 1093387
Scottish Charity Registration No SC040096

STRATEGIC LEADERSHIP TEAM:

Chief Executive

Jill Tolfrey

Finance Director

Martin Smith

Director of Organisational Development & Corporate Governance

Christine Goonan

Director of Beneficiary Services

Sharon Bailey

Director of Fundraising & Engagement

Mark Evans (employed 10 June 2019 / resigned 10 January 2020)

Company Secretary

Christine Goonan

HEADQUARTERS AND REGISTERED OFFICE:

FIRE FIGHTERS CHARITY
Belvedere, Basing View
Basingstoke, Hampshire, RG21 4HG
Tel: 01256 366566
Fax: 01256 366599
Web: www.firefighterscharity.org.uk

RESIDENTIAL CENTRES:

Ronnie Green Wing, Marine Court, Fitzalan Road,
Littlehampton, West Sussex, BN17 5NF

Jubilee House, Eamont Park, Eamont Bridge,
Penrith, Cumbria, CA10 2BN

Harcombe House, Chudleigh,
Devon, TQ13 0DG

RETIREMENT HOMES:

Marine Court Flats, Fitzalan Road,
Littlehampton, West Sussex, BN17 5NF

Eamont Park Retirement Homes, Eamont Bridge,
Penrith, Cumbria, CA10 2BN

AUDITOR:

James Cowper Kreston, 2 Communications Road
Greenham Business Park, Greenham,
Newbury, RG19 6AB

INVESTMENT MANAGERS:

Newton Investment Management Limited,
160 Queen Victoria Street, London, EC4V 4LA

BANKERS:

Barclays Bank PLC, 4th Floor, Apex Plaza,
Forbury Road, Reading, RG1 1AX

National Westminster Bank PLC, 52 High Street,
Littlehampton, West Sussex, BN17 5SY

CUSTODIANS:

Bank of New York, 1 Canada Square, London,
E14 5AL

Fire Fighters Charity

TRUSTEES' REPORT

The Trustees are pleased to submit their Annual Report and audited financial statements for the year ended 31st March 2020.

Note: The Trustees are also the registered Directors of the Charitable Company.

Structure and Governance

Legal and Administrative Information

Legal and administrative contact information is given on page 2.

Legal Status

Fire Fighters Charity (known as “the Fire Fighters Charity”) is a company limited by guarantee and a registered Charity, incorporated in England. The guarantee requires each member to contribute an amount not exceeding £1 in the event of the Charity being wound up. The Charity is governed by its Articles of Association dated 8 November 2018.

Charitable Aims, Public Benefit and Provision of Services

The Trustees have carefully considered the Aims of the Charity and how it measures up to the Public Benefit test. The Charity provides a range of services to the Fire Services Community and the Trustees are satisfied that there are identifiable benefits that meet the Public Benefit Summary Guidance from the Charity Commission.

The Fire Fighters Charity is a national Charity providing assistance to serving and retired members of the fire and rescue service community, as well as eligible dependants. The Charity aims to enhance quality of life and make a positive difference to the lives of beneficiaries during times of need.

The Charity supports its beneficiaries through community based and residential services. Support is personalised to meet the beneficiary's unique mental health, physical health and social needs and is accessed through a confidential helpline on a self referral basis. Once beneficiaries (or their advocates) have contacted the Charity practitioners will take the time to understand their needs and explore with them what support may be appropriate to meet their needs.

Trustee Board defined criteria are in place for all the Charity's beneficiary services to ensure there is equality in the provision of services and charitable funds are used where there is an identified need. The Charity's services are summarised in a Board approved service delivery document and there is also a Clinical and Social Care Governance framework in place to ensure there is continuous improvement in the provision of services and high standards of care are maintained. Systems and processes underpin the wider clinical and social care governance framework to ensure quality in service provision.

Whilst a nominal charge may be applicable for some aspects of service delivery, for the majority of support provided by the Charity there is no charge. This enables access to services for all beneficiaries, irrespective of financial circumstances. Financial support to access the mainland for residential services is provided to beneficiaries who reside on the UK islands.

Trustees receive data and research against which the effectiveness of service provision can be measured (and to identify where future service development may be required).

Residential Services

The Charity has three residential centres which offer a range of activities and programmes of support led by a multi professional team which includes Chartered Physiotherapists, Exercise Therapists and Psychological Therapists. Residential support is available for beneficiaries following injury or illness, for those with poor mental health, and those who present with long term and degenerative

Fire Fighters Charity

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conditions. Facilities within each Centre include a gymnasium / fitness room, leisure pool and hydrotherapy pool. Residential stays are short term and on average beneficiaries spend 4-7 days at a Centre, there is some flexibility in the length of a stay depending on individual need.

Underpinned by a philosophy of recovery support is tailored to meet the needs of the individual with the multi professional team working in partnership with beneficiaries to identify solutions to meet their mental health, physical health and social wellbeing needs. Beneficiaries may engage in different levels of activity, ranging from a residential stay that focuses on rest and relaxation to participation in a programme of structured activity. Health education is embedded within the support provided at the Centres, providing beneficiaries with up-to-date, evidence based information for beneficiaries to make informed choices around their wellbeing.

Admission criteria are in place for attendance on a residential programme. Support provided by the multi professional team is underpinned by research and evidence based protocols.

Nursing services are available at Jubilee House for those who may have nursing or personal care needs. The Charity's nursing services are regulated by the Care Quality Commission and delivered by a team of Registered Nurses and Clinical Assistants. A Nursing Services Lead (Registered Manager) oversees the delivery of this service.

The Charity also offers structured family support programmes at Harcombe House at specific times during the year (school holidays). These programmes aim to support the family unit with whatever challenges they are facing in life and provide families with the opportunity to relax, enjoy quality family time and meet other families who experience similar challenges. A range of appropriate activities are also available as part of these programmes and aim to encourage greater social interaction, communication, increased confidence and improve wellbeing.

Community Based Support

The Charity recognises that some beneficiaries may require support at home or when accessing services in their local communities. A small team of Welfare Caseworkers offer confidential, impartial advice and information on a wide range of issues that affect and impact upon everyday life. The team will carry out face to face and telephone assessments to identify solutions to meet individual need. Home visits are carried out where required by Welfare Caseworkers or approved volunteers.

Needs are assessed within a structured framework and against financial criteria. Statutory entitlements are fully considered and match funding opportunities with other organisations explored. Solutions can include the provision of equipment, assistance with home adaptations, or financial solutions to relieve crisis. Solutions provided through the Welfare Service are largely short term; long-term support is only provided in exceptional circumstances and is subject to annual reviews. Where appropriate, beneficiaries are signposted on to external organisations.

Where appropriate health and wellbeing support can be offered remotely. This support is personalised to meet an individual's need and may include telephone advice or consultation through video conferencing, signposting, or support to access local community groups or health / social care services. The Charity also runs 'Living Well Groups'. These employee led, volunteer delivered, groups focus on providing a long term and sustainable way of keeping in touch post retirement.

Trustee Recruitment, Appointment and Training

The Charity advertises the role of Trustee on a national basis annually to initiate the recruitment and selection process. Trustees are appointed in line with the Articles of Association, role description and person specification. A number of individuals with specific knowledge and experience relevant to the Charity's functions, in addition to the requirements of the Trustee role description and person specification, will continue to be sought to best reflect and support the Charity's current needs and future ambitions. There are Board approved procedures for the recruitment, selection and induction of Trustees. The process of appointment of a new Trustee includes advertising the vacancy, issuing application packs, ascertaining a shortlist of applicants and interview by a panel including either the Chair or the Deputy Chair, a Trustee and two company members. The selection procedure is reviewed to enhance transparency, consistency and effective assessment of skills to meet the Charity's needs.

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Where a vacancy occurs outside of the annual recruitment process Trustees may appoint to the vacancy until the next Annual General Meeting. Ongoing training of Trustees is determined by the Board and individual Trustee needs assessments.

All Trustees give their time voluntarily and receive no financial benefits from the Charity. Any expenses reclaimed are in line with Board approved policies and are set out in note 7 to the accounts.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of the Fire Fighters Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of Information to the Auditor

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as a Trustee to make him or herself aware of any relevant audit information and to establish that it has been communicated to the auditor.

Charity and Organisational Structure

There are around 2,000 fire stations around the United Kingdom, Isle of Man and the Channel Islands (crewed by whole-time, day-crewing, on-call or volunteer firefighters). These stations, together with all the appropriate support functions and other assets, make up the Fire & Rescue Services. There are works firefighters at commercial sites (airports, oil refineries, etc.) and other employers such as the Defence Fire Services.

Fire Fighters Charity

TRUSTEES' REPORT

At the AGM in November 2018 Company Members adopted the Charity's new Articles of Association. The Articles permit up to 48 Company Members to be appointed from those who have a direct association with the fire services community. Trustees are also Company Members and are in addition to the 48 Company Members appointed from the fire services community.

Company Members are able to attend the AGM. At the AGM the Company Members appoint Trustees to fill any vacancies and approve other company resolutions.

Our Articles permit the Board of Trustees to consist of at least eight and not more than twelve Trustees, the majority of whom must have a direct association with the fire services community.

The Board of Trustees has control over the Charity and its property and funds. It directs the Charity's operations and ensures compliance with our Articles of Association. Trustees agree and regularly review plans for achieving the Charity's aims and the finances needed to support them.

Trustees appoint a Chief Executive who has full authority for the implementation of approved strategic plans and the daily running of the Charity. The daily operations are run with three Directors, responsible for Finance, Income Generation & Engagement, Beneficiary Services and Organisational Development and Corporate Governance.

At the AGM in November 2018, Company Members agreed transitional arrangements to reduce the number of Company Members and Trustees to those stated in the new Articles of Association. The numbers will be reduced over a two year period, ending on the day of the AGM in 2020.

The Charity wholly owns two subsidiary companies; Fire Fighters Trading Limited - which provides trading and commercial services - and FSNBF Limited, a dormant company. The accounts of Fire Fighters Trading Limited are consolidated with the Charity within the Group financial statements.

An annual pay review is conducted for all employees that takes into account inflation, external benchmarking data and affordability. The results of the review are considered by the Staff and Governance Committee and a recommendation made to the Board of Trustees.

The Chief Executive's salary is decided by the Trustee Board prior to a vacancy being advertised and thereafter awarded any increase given to all employees. In addition, the salary is reviewed annually by the Chair of the Trustee Board. A decision to increase the Chief Executive's salary, other than an increase awarded to all employees, must be recommended by the Chair and then approved by the Staff and Governance Committee, which is a sub-committee of the Trustee board, in order for the increase to be implemented. Any changes to the management structure at the level reporting directly to the Chief Executive requires the consideration and approval of the Staff and Governance Committee.

Charity Staff

The Trustees place on record their grateful thanks to all the staff of the Charity. In particular, the Trustees wish to thank them for their devotion to their roles that ultimately exist to assist beneficiaries.

Volunteers

The Charity's activities are supported by a large number of willing and enthusiastic volunteers who do so much, often behind the scenes, to help the Charity and its beneficiaries. While there is no mechanism available to formally calculate the value of their contribution it is undoubtedly of great value to the Charity. The Charity's Trustees wish to record their gratitude and admiration for this effort.

Strategic Report

Activities and Performance

Objectives

The Charity's primary role continues to be support for those in need in the fire service community. This includes service personnel, former service personnel, works firefighters, former works firefighters, volunteers in a Fire and Rescue service, current and former charity employees, personnel in Fire Services Youth Schemes and any dependant of any of these categories (with the exception of volunteers in a Fire and Rescue service).

Within the Articles of Association, the Trustees are given the powers to deposit or invest the monies of the Charity not immediately required for its operations, in any manner as may be thought fit. The Trustees may also delegate the management of investments to a financial expert.

At the Fire Fighters Charity, we meet our beneficiaries at a time in their lives when they are most vulnerable, recovering from illness or injury and in need of support. We are proud of the diverse range of health and wellbeing services we provide and privileged to work with such a dedicated and community-focused group at such a vital point in time for them. For the strategic business plan 2017-18 to 2019-20 we have identified four key areas that we believe will deliver real, measurable progress.

Increasing support for mental health - Working together for emotional wellbeing

Working in traumatic environments on a daily basis is proven to impact individuals' mental health and, in the UK fire and rescue service, this often less visible impact is second only to musculoskeletal injury as a cause of sickness absence. Early intervention is proven to reduce time away from work where mental health is poor. We will:

- Increase our psychological support services.
- Develop online and telephone systems to enable earlier access to effective support.
- Develop support in the community as well as at our centres.
- Be proactive in supporting people early, encouraging resilience and equipping people with the tools they need to support themselves.

Increased access to advice, information and support - Using technology to make information and support more accessible to those who need it

Technology in the modern age has facilitated immense progress in the fields of health and social care over the last decade and, as the internet and mobile communications become more accessible, we have to embrace innovation in both these areas to communicate with our beneficiaries, doing so in a measurable, effective and controlled fashion to provide advice, information and support to as many people as possible. We will:

- Provide advice, information and support through novel and innovative ways, to develop online services to keep people fit and well.
- Use web-based information and resources, tele-rehabilitation and online interactive discussion groups to provide information at the touch of a button, signposting to other resources and help in managing problems early to prevent long term problems.
- Provide advice and guidance on keeping active.
- Help our beneficiaries to keep in touch with us and with each other through the creation of a dynamic online community.
- Use technology to establish a wide range of dynamic networks and communities, enhancing connectedness and sharing.

Strong, healthy and connected communities - Built through combining the strengths of online interactions and face to face contact

We know that the concept of community is very important to fire and rescue services. The community and camaraderie that develops over the years of working in the fire service is greatly missed when circumstances change. Individuals' psychological and physical wellbeing can be impacted when they no longer feel a part of a community to which they belonged. We want to combine personal and digital community development tools to reduce social isolation and engender a connected community of beneficiaries and supporters. We will:

- Provide a contact service consisting of regular phone calls, emails and digital services to develop communities and make staying in touch easier.
- Use the strength of our volunteers to re-establish links within local fire service communities.
- Increase our community care provision by working with our volunteer home visitors to identify solutions to everyday challenges and prevent longer term problems from developing.
- Develop links between our health and well-being residential programme and community support, ensuring that beneficiaries are part of a connected community and fully supported once they leave our centres with all they need to support healthy living, new behaviours and lifestyle choices.
- Re-establish a strong volunteer home visitor network to improve connectedness through valuable face-to-face time, improving connectedness and reducing isolation.

Enhanced physical activity and rehabilitation programmes - Helping beneficiaries to make informed choices and live healthier, more active lifestyles

Physical activity has been proven to improve health and quality of life in a multitude of ways. We want to expand and build upon the world class physical activity work and education undertaken across our centre-based health and wellbeing programmes. By helping more people to make better lifestyle choices, we aim to reduce and ultimately prevent long term problems from developing. Our ethos is: Be active, be informed, be well. We will:

- Continue to develop and evolve our successful residential rehabilitation programmes.
- Target residential short stay health and fitness programmes for individuals and couples to promote understanding about diet, nutrition, exercise and keeping active.
- Offer support to help people make better choices, change ways of living to improve health and well-being.
- Ensure all our programmes are supported by our online and tele-rehab services which will be customised for different groups.

Measuring Success

2019-20 was the final year of our three-year Strategic Plan. Progress against this plan continued until the second half of quarter 4, with the advent of the Government public health restrictions put in place for protections against Covid 19.

Increasing support for mental health

- Our £1.8m refurbishment of Harcombe House is virtually completed – some delay incurred as a result of the 'lockdown' period. The service provision continues to be developed providing support for individuals, couples and importantly families. We provide a broad spectrum of approaches to supporting positive mental health such as the use of Art Therapy, Tai Chi, crafts and modelling, as well as the more traditional individual and group support.
- In 2019-20 a total of 993 beneficiaries on residential programmes accessed psychological support. This is an increase of 13.5% from 2018/19. Demand for psychological support is increasing and the closure of centres due to Covid 19 is likely to exacerbate this problem moving forward. All beneficiaries with a psychological health need who were due to attend a Centre (bookings up until the end of June 2020) have being contacted by telephone and where

appropriate being offered access to alternative support, such as telephone or online counselling, and access to remote consultations through a digital platform.

- As the Government restrictions permit, with full risk assessment and the safety of beneficiaries and employees at the heart, the Charity will restart the provision of residential support.

Increased access to advice, information and support

- Demand for welfare services, advice information and support continue to rise. In 2019-20 a total of 766 beneficiaries have accessed welfare services. This is an increase of 34% when compared with 2018/19. In addition, there have been 178 other welfare enquiries / one off signposting calls bringing the total number of beneficiaries supported to 950.
- Knowledge and information articles continue to be developed, such articles have been made available on the website and have been shared on social media platforms. Where appropriate articles have been tailored around national events. A Coronavirus Support Hub has been set up on our website.
- The practitioner led assessment service means that beneficiaries calling our 0800 number now speak directly with a practitioner and are directed more effectively to the right service or support. Alongside this is the removal of the ongoing need for paper application processes.

Strong, healthy and connected communities

- Monthly Living Well group meetings continued in Manchester, Luton, Stowmarket, Worcester, Taunton, Aberdare and quarterly meetings in Liverpool. At the end of October 2019, we launched our first group in London at Mitcham Fire Station. Training has been attended by volunteers who will co-ordinate groups in Scotland, Stockport, Exeter, Blackburn and Oxfordshire.
- Since all groups have been postponed due to Covid 19, we are keeping in touch with attendees and volunteers through the forum on communities and by telephone. We have over 200 regular participants in Living Well Groups and are contacting all of them where possible to offer support and a social call. For those who would like regular contact a weekly call has been set up and this has been extended to any beneficiary who rings the Services Access Line and would like regular contact with the Charity.
- We continue to develop more volunteer roles including some ad hoc roles in fundraising; cheer and collection volunteers; and have now in place volunteers for visitor services who welcome beneficiaries to centres and help settle them in.
- Our robust volunteer framework is regularly reviewed and continues to support our further volunteer development and protect both volunteers and the Charity.

Enhanced physical activity and rehabilitation programmes

- We have implemented remote clinic working and tele-rehab provision and further training is taking place to increase practitioners' skills in this new area. This system along with the practitioner led assessment facilitates early intervention support for all aspects of our physical, mental and social health provision.
- We have increased our nursing and personal care provision by 50% [4 beds to 6] and achieved an "Outstanding" rating in a recent CQC inspection. We continue to fund research that fits with our strategic direction, such as Understanding of Transitions into Retirement for Firefighters. Data from this work will feed directly into our Living Well groups provision amongst other services.
- There have been 3,321 residential stays at our centres, including 184 who received nursing and personal care

Financial Review

The consolidated accounts for the year are set out on pages 19 to 44 and should be read in conjunction with this section of the Trustees' report. A summary of the financial results and the work of the Charity are set out below.

The net movement in funds for the year amounted to £(477,230). This is represented by: -

Incoming resources	£ 9,970,336
Resources expended	<u>£ (9,953,459)</u>
Net incoming resources	£ 16,877
Loss on investment assets	£ (820,107)
Actuarial gain on defined benefit pension scheme	<u>£ 326,000</u>
	<u>£ (477,230)</u>

Capital Expenditure

The investment in capital expenditure during the year amounted to £1,477,036.

Incoming Resources

Total incoming resources of £9,970,336 were generated during the year, an increase of £20k on the £9,950,988 raised in 2018-19.

Donations and legacies raised were £6,591,410, which was £79k less than 2018-19. There were no significant increases or decreases in income within any of the income activities included within donations and legacies. Regular gifts were up £40k whereas one-off gifts were down £120k, grants and legacies were comparable in total to 2018/19. Included within grants was the second and final year of funding for the Harcombe House development from the Government LIBOR fund, funding amounted to £763k in 2019-20.

Income from other trading activities grew by £100k to £2,864,962. Trading income grew by £24k to £1,390,955, a 2% increase. The trading activities are undertaken by Fire Fighters Trading Ltd and a more detailed explanation of those activities can be found on page 12. The promotion of the Charity Lottery outside of the beneficiary base continued to be a success in 2019-20 with total lottery income increasing by £105k to £1,457,684, an 8% increase.

Income in 2020-21 will be challenging due to the uncertainty of fundraising activities as a result of the social and economic impact of Covid 19. The promotion of regular giving and one-off gifts will be the priority until the community activity can restart, such as public lottery, events and the expansion of recycling.

Resources Expended

Total expenditure for the year was £9,953,459 compared with £8,986,269 for last year, an 11% or £967k increase.

Expenditure on charitable activities increased by £649k to £6,766,829. Expenditure at our rehabilitation and recuperation centres increased by £538k, this was predominantly due to an increase in staff costs supporting services across the three centres and in particular mental health provision following the development at Harcombe House. There was also a further increase this year in expenditure on solutions provided to individuals by the beneficiary support team, with a 8% increase in solution expenditure.

Expenditure on raising funds increased by £319k in 2019-20 to £3,186,630. This 11% increase has supported the continued development of committed giving and community fundraising through both additional staff and in particular investment in lottery sign-ups from the public which will also support future years income.

Investments

The value of investments held at 31 March 2020 was £12,565,229. In addition, cash balances of £2,137,493 were held to support normal cash flow requirements and planned cash outflows.

On the 31st March 2018, 9 flats contained within the Marine Court complex in Littlehampton were reclassified as investment property. These assets were previously used in support of charitable activities but were now commercially let outside of the charity's beneficiary base. The properties were professionally valued at £175k each and increased the value of investments held by £1,575k. Having reviewed similar properties for sale in the area at the end of the financial year, no adjustment to the value of these investments was deemed necessary in 2020.

There has been a decrease in the value of cash and investments this year of £1,463,796; being unrealised net losses from existing investments of £820,107 and an increase in cash held of £856,311. £1.5m was transferred from investment to cash during the year. The total return of the investment fund for the year was -5.3%, this was 1.2% above the benchmark. The investment fund is focused on total return and growth. In addition to the positive performance against the benchmark, income received from listed investments was up this year from £317k to £356k. The fund incurs a management charge of 0.65%, this equated to approximately £85k in 2019-20 (£87k 2018-19).

The investment policy communicated to our investment managers remained unchanged from the previous year and focused on providing revenue for current operations and enhancing capital growth and income over the longer term, thereby enabling the Charity to meet current and future objectives in accordance with the objects of the Charity. The funds are invested in a Socially Responsible Investment Fund managed by the Charity's investment managers in accordance with the Charity's ethical policy.

Our Approach to Fundraising

The Fire Fighters Charity sets out to fundraise in an open, honest and respectful manner. We use multiple channels to fundraise from various audiences. When developing our fundraising campaigns, we assess the impact our fundraising could have on an individual and take actions to mitigate any negative impact. When running fundraising campaigns, we welcome feedback and use this to help shape future fundraising campaigns. We always treat donor data responsibly and are compliant with all UK data protection laws. Our privacy policy is published on our website and gives details of the information we hold and how and why we process it.

We are registered with the Fundraising Regulator. When fundraising the Fire Fighters Charity adheres to the Code of Fundraising Practice as set by The Fundraising Regulator. For our Lottery and Raffles, we are also licensed by the Gambling Commission. We routinely monitor and review our fundraising activities to ensure that we comply with regulations. Our fundraising team managers regularly monitor and review performance by attending our fundraising events and talks, providing feedback to our fundraisers. For the 2019-20 business year when conducting telephone fundraising all calls were recorded and we listened to a sample of calls for each campaign. For our external Face to Face lottery agency, we have regular catch ups with team leaders and their managers, as well as monitoring feedback from donors about their experience. In respect to complying with the Code of Fundraising Practice, we have had no adjudications and have had no significant failures.

We record all complaints received. Following the review that the Fundraising Regulator started in December 2017, the outcome has not yet been reported and, as yet, it has not announced how and when they would like charities to report complaints. Whilst not reporting on our complaints to the Fundraising Regulator we do still record and monitor all complaints about our fundraising activities and

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use this information to inform fundraising strategy. For the financial year 2019-20 we received 25 complaints compared to 27 in the previous year. The most notable change between years is the decrease in complaints relating to textile recycling which dropped from 14 to 2. This reflects the decision to cease door to door recycling activities.

We ensure that our fundraisers follow the Fundraising Regulator's policy on vulnerable people. We listen to our donors and take on board their feedback and change our behaviour accordingly. For example, we don't use telephone fundraising after 8pm as our supporters told us that they did not want to be called after this time. We also work in line with the best practice guidance from Institute of Fundraising, documented in their Guide "Treating donors fairly - fundraising with people in vulnerable circumstances". When working with an external agency we ensure that they have a vulnerable person policy in place. We don't work with agencies that don't have this. For our Lottery and Raffles, we also have a Social Responsibility Policy which is published on our website. All Fundraisers (internal and external) have a training session going over this policy before they promote our lottery and have regular refresher sessions.

Without the generous support of donors, the Fire Fighters Charity could not provide the mental, physical and social support to thousands of beneficiaries every year, we will therefore always set out to fundraise in an open, honest and respectful manner.

Fire Fighters Trading Limited

The company's activities achieved a profit for the year before paid or proposed donations to the Fire Fighters Charity of £822k. This is equivalent to the profit achieved in 2018-19. The ability to continue to make annual donations to the Fire Fighters Charity of over £800k is very satisfying.

Recycling income continued to grow with income up £50k or 8% on 2018-19, achieving a total of £644k. This success was due to the continued growth in recycling banks placed at Fire Stations across the UK. The overall growth was lower than 16% achieved in 2018-19, this was due to 2019-20 being the first full year with no door to door recycling.

Commercial income generated through the use of the Fire Fighters Charity centres fell in 2019-20 to £384k from £416k, this was primarily due to a reduction in availability of Harcombe House due to major building works and also a reduction in the number of holiday rental units allocated to Fire Fighters Trading.

Merchandising followed an excellent 2017-18 and 2018-19 with a further increase in income of 6% or £12k to £237k. Gift related products remain the most profitable product group and this will be targeted to grow again in 2020-21.

Private Rehabilitation Services fell slightly from the level achieved in 2018-19, this was the second year in row where income had fallen following a very successful 2017-18. Despite the disappointment with income, the year was very positive in relation to developing new leads, so the opportunity to grow this income in 2020-21 remains positive.

Before the year end the negative impact of the coronavirus global pandemic (Covid 19) had started to be seen. Fire Fighters Charity had closed all its locations and visits to recycling banks were not deemed an essential reason for the public to leave their homes. As the new year was starting there was limited recycling, no centre trading or private rehabilitation and merchandise income was negligible. While this will have a negative impact on the company, the structure and profitability of the business means there is not considered to be any risk to going concern.

Overall the level of profit the company achieved this year was positive. The ability to continue to make annual donations to the Fire Fighters Charity of over £800k is very satisfying.

Reserves Policy

The reserves policy aims to ensure that the Charity continues to set aside funds that enable it to achieve its objectives, while at the same time ensuring there are adequate reserves held to ensure continuity of service to beneficiaries if setbacks occur. The board approved policy accords with five principle statements of intent:

1. Funds held as tangible fixed assets for Charity use are not available to be expended and will therefore be designated.
2. Reserves will be designated to reflect the Board's requirement to hold in reserve the minimum of either 12 months' expenditure or the value of investments held to support the income target for the year ahead.
3. Reserves will be designated where appropriate to fund future plans where income from those future years is not expected to be sufficient to meet the expenditure requirements. These funds will be held in a combination of fixed and current assets as appropriate.
4. Reserves will be designated as appropriate to fund investment in the facilities of the charity for the purpose of increasing the sustainability of services or generating new income.
5. An appropriate level of free reserves will be held in current assets to ensure that the necessary funds are available to meet the day to day operational requirements of the Charity.

At 31 March 2020 the reserves totalled £30,920,391. This is represented by:

Restricted Funds	£ 275,676
Designated Funds	£ 29,499,037
General Funds	£ 1,145,678
	<u>£ 30,920,391</u>

As at 31 March 2020 the Charity has a defined benefit pension scheme surplus of £329,000. These funds are allocated to general funds.

The Trustees review the financial performance of the Charity in conjunction with the reserves policy on a quarterly basis. As at 31 March 2020 the total value of reserves held were allocated to specific funds in accordance with the five principle statements of the reserves policy. Free reserves of approximately 4 weeks' worth of expenditure remain in place to support the day to day operational requirements of the charity. The value of reserves held ensure the Charity's position as a going concern.

Risk Management

There is a Board approved Operating Procedure for Risk Management. Processes are in place to enable Trustees to examine major strategic and operational risks. Risk Management is part of the working lives of staff and volunteers and is an integral part of performance management. Risk assessment has been introduced as part of many policies and procedures. Strategic and operational risk registers are reviewed by the Finance and Audit Committee at each meeting and the full board annually. The Trustees confirm that the major risks that they have identified to which the Charity is exposed have been reviewed, and systems and procedures have been established to manage those risks. The most significant strategic risks relate to the impact of Covid 19, these include; the ability to deliver services and the potential increase in demand, the loss of income due to restrictions imposed on fundraising activities and the risk to our employees in terms of their health and wellbeing and their employment.

Safeguarding

We will not tolerate the abuse of adults in any of its forms and we are committed to safeguarding adults with care and support needs and ensuring that all our services are delivered within a safe and effective framework.

Fire Fighters Charity

TRUSTEES' REPORT

We respect the rights of all service users to live their chosen life with privacy, dignity, independence, choice and fulfilment. Responsibility for working preventatively, safeguarding and protecting service users' privacy, dignity and respect does not lie with one individual or group but with all our employees at every level. Safeguarding and respect are not additional elements of our service / care provision, but integral to the delivery of high-quality and safe and effective services.

We are committed to working collaboratively and in partnership with other agencies to ensure service users access their human right to live a life that is free from harm, neglect and exploitation.

Environmental Statement

We take our impact on the environment seriously and along with some recent specific activities we have a number of solar panels in each centre generating approximately 486,587 KWh since installation in November 2014.

We work closely with our suppliers to ensure their impact on the environment is a top priority. This can be down to how they lower their effect on the environment to changes in the products we purchase to reduce chemicals and introduce more natural solutions.

Our 300 acre site at Harcombe House in Devon uses re-claimed rainwater for much of the maintenance required to keep the grounds in a well-kept state. In addition, petrol vehicles used around the grounds have recently been changed for electric powered buggies. The site also works closely with the RSPCA to monitor and care for the wildlife in the grounds, ensuring that they have suitable surroundings to thrive. We have also developed links with the Forestry Commission (whose land borders ours) to ensure the acres of woodland that covers both properties are well maintained and safe whilst along with promoting the growth of wildflowers across both areas.

We have developed close links with the Environment Agency at both Harcombe House and Jubilee House in Cumbria. Both properties have either a river running through the land or bordering it. At Jubilee House our teams worked closely with the Environmental Agency following flooding in 2016. The property now has a high specification flood defence system and further work continues with the Environment Agency on their proposals for the weir on the River Eamont which borders the Charity's property.

The environment has been considered throughout the refurbishment of Harcombe House. Where possible Forest Stewardship Council materials were used to ensure the products came from well managed forest and recycling resources. Our contractors recycled waste that was removed where possible. The heating systems and insulation have been upgraded to increase efficiency throughout with the aim of reducing our energy consumption, and along the same lines, lighting systems have been replaced in the main house and outbuildings with modern, low energy LED fittings which will again aid a reduction in our energy consumption.

All our sites recycle and we are looking at ways to encourage this more within our rented properties.

We offer our employees flexible working arrangements where possible and have introduced video conferencing, one benefit of both of these is the reduction of travel.

Going Concern

Prior to the year end the Covid 19 had resulted in the temporary closure of the Charity's rehabilitation centres and head office, the cancellation of fundraising events and activities and a significant reduction in the value of investments. For the 2019-20 year the impact was small; income was comparable to the previous year and overall a small surplus was achieved, the investment losses resulted in an overall reduction in net assets of £0.5m or 1.5% of total assets.

The real impact of the virus on the activities and finances of the Charity will occur in 2020-21. The financial forecast for the year ahead has been amended to reflect an anticipated 20% reduction in

Fire Fighters Charity

TRUSTEES' REPORT

income, some of which will be offset by enforced reductions in expenditure during the first half of the year due to the closure of the centres. In the second half of the year the Charity aims to reopen residential services and also develop new services in line with the next strategic plan.

To enable progress with the strategic aims during these challenging times the Trustees have agreed to designate an initial £2m of reserves to support expected losses. In accordance with the reserves policy an amount in excess of 12 months expenditure has also been designated. The ability to fund future losses within the framework of the reserves policy demonstrates the Charity's ability to continue as a going concern.

Future Plans

April 2020 sees the start of our next Strategic Plan for 2020-2025. This is an ambitious plan, seeking a 'generational' change for the Charity, ensuring that we remain relevant, providing services that meet need in ways that are easily accessible and timely for our beneficiaries.

We will continue to focus on the health and wellbeing needs of the UKFRS workforce, increase support for the retired community and for families. Our beneficiaries are a cross section of the normal population; for the UKFRS the impact of working within the service is overlaid on the general population health challenges that have been brought into sharper focus as a result of the current pandemic.

Whilst some of our plans have been delayed, the impact of substantial loss of fundraising income for example, has meant a slowing of some progress, other areas have been able to develop such as our digital and remote provision.

The environment in which the Charity provides services is shifting considerably with increased demand on already saturated statutory and community sectors; the proposals in our 2020-2025 plan provide answers to some of these expected challenges to ensure that we can continue to meet the needs of our beneficiaries well into the future.

Auditors

A resolution to reappoint James Cowper Kreston, Chartered Accountants as auditor will be put to the Members at the annual general meeting.

On behalf of the Trustees



A Lynch
Chair of the Board
29 July 2020

Company Registration Number: 4480058

Charity Registration Number: 1093387

Scottish Charity Registration Number: SC040096

Fire Fighters Charity

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES, INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

Year ended 31 March 2020

Company Registration Number: 4480058

Independent Auditor's Report to the Trustees and Members of Fire Fighters Charity

We have audited the financial statements of Fire Fighters Charity (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 set out on pages 19 to 44. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable 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.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our

Fire Fighters Charity

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES, INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

Year ended 31 March 2020

Company Registration Number: 4480058

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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters

Fire Fighters Charity

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES, INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

Year ended 31 March 2020

Company Registration Number: 4480058

related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

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

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, and to the charitable company's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Farwell MA FCA DChA (Senior Statutory Auditor)
for and on behalf of
James Cowper Kreston

Chartered Accountants and Statutory Auditor
2 Communications Road
Greenham Business Park
Greenham
Newbury
Berkshire
RG19 6AB

Date: 16 October 2020

Fire Fighters Charity

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES, INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

Year ended 31 March 2020

Company Registration Number: 4480058

	Note	Unrestricted Funds	Restricted Funds	Total to 31 March 2020	Total to 31 March 2019
		£	£	£	£
INCOME FROM:					
Donations and legacies	1	5,360,921	1,230,489	6,591,410	6,670,854
Other trading activities	2	2,864,962	-	2,864,962	2,764,952
Investments	4	360,317	-	360,317	319,786
Charitable activities		145,697	-	145,697	168,340
Other income		7,950	-	7,950	27,056
TOTAL INCOME		8,739,847	1,230,489	9,970,336	9,950,988
EXPENDITURE ON:					
Raising funds	5	3,186,630	-	3,186,630	2,868,008
Charitable activities:					
Rehabilitation and recuperation centres	5	5,963,361	179,999	6,143,360	5,605,593
Beneficiary support	5/6	566,317	794	567,111	452,236
Retirement homes	5	56,358	-	56,358	60,432
Total expenditure on charitable activities		6,586,036	180,793	6,766,829	6,118,261
TOTAL EXPENDITURE		9,772,666	180,793	9,953,459	8,986,269
Net income/(expenditure) before investment gains and losses		(1,032,819)	1,049,696	16,877	964,719
Net (losses)/gains on investments	11	(820,107)	-	(820,107)	651,063
NET (EXPENDITURE)/INCOME		(1,852,926)	1,049,696	(803,230)	1,615,782
Transfers between funds		793,487	(793,487)	-	-
OTHER RECOGNISED GAINS & LOSSES:					
Actuarial gains/(losses) on defined benefit pension scheme	8	326,000	-	326,000	(13,000)
NET MOVEMENT IN FUNDS		(733,439)	256,209	(477,230)	1,602,782
RECONCILIATION OF FUNDS					
Total funds brought forward		31,378,154	19,467	31,397,621	29,794,839
TOTAL FUNDS CARRIED FORWARD		30,644,715	275,676	30,920,391	31,397,621

All activities are continuing.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The comparative figures for restricted funds are shown in the notes to the accounts.

Fire Fighters Charity

CHARITY STATEMENT OF FINANCIAL ACTIVITIES, INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

Year ended 31 March 2020

Company Registration Number: 4480058

	Note	Unrestricted Funds	Restricted Funds	Total to 31 March 2020	Restated Total to 31 March 2019
		£	£	£	£
INCOME FROM:					
Donations and legacies	1	5,360,921	1,230,489	6,591,410	6,670,854
Other trading activities	2	1,474,007	-	1,474,007	1,398,338
Investments	4	1,235,854	-	1,235,854	1,024,118
Charitable activities		145,697	-	145,697	168,342
Other income		7,950	-	7,950	27,056
TOTAL INCOME		8,224,429	1,230,489	9,454,918	9,288,708
EXPENDITURE ON:					
Raising funds	5	2,635,663	-	2,635,663	2,322,426
Charitable activities:					
Rehabilitation and recuperation centres	5	5,944,795	179,999	6,124,794	5,606,212
Beneficiary support	5/6	566,392	794	567,186	452,310
Retirement homes	5	56,383	-	56,383	60,457
Total expenditure on charitable activities		6,567,570	180,793	6,748,363	6,118,979
TOTAL EXPENDITURE		9,203,233	180,793	9,384,026	8,441,405
Net income/(expenditure) before investment gains and losses		(978,804)	1,049,696	70,892	847,303
Net (losses)/gains on investments	11	(820,107)	-	(820,107)	651,063
NET (EXPENDITURE)/INCOME		(1,798,911)	1,049,696	(749,215)	1,498,366
Transfers between funds		793,487	(793,487)	-	-
OTHER RECOGNISED GAINS & LOSSES:					
Actuarial gains/(losses) on defined benefit pension scheme	8	326,000	-	326,000	(13,000)
NET MOVEMENT IN FUNDS		(679,424)	256,209	(423,215)	1,485,366
RECONCILIATION OF FUNDS					
Total funds brought forward		31,195,927	19,467	31,215,394	29,730,028
TOTAL FUNDS CARRIED FORWARD		30,516,503	275,676	30,792,179	31,215,394

All activities are continuing.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The comparative figures for restricted funds are shown in the notes to the accounts.

Fire Fighters Charity
BALANCE SHEETS
As at 31 March 2020

Company Registration Number: 4480058

	Note	Group 2020 £	Charity 2020 £	Group 2019 £	Restated Charity 2019 £
FIXED ASSETS					
Tangible assets	10	14,933,808	14,933,808	14,074,744	14,074,744
Investments	11	12,565,229	12,565,229	14,885,336	14,885,336
Investments in group companies	12	-	4	-	4
		<u>27,499,037</u>	<u>27,499,041</u>	<u>28,960,080</u>	<u>28,960,084</u>
CURRENT ASSETS					
Stocks	13	80,580	7,611	111,323	9,494
Debtors	14	1,362,459	1,345,662	1,667,454	1,563,620
Cash at bank and in hand		2,137,493	2,019,136	1,281,182	1,206,675
		<u>3,580,532</u>	<u>3,372,409</u>	<u>3,059,959</u>	<u>2,779,789</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	15	(488,178)	(408,271)	(617,418)	(519,479)
NET CURRENT ASSETS		<u>3,092,354</u>	<u>2,964,138</u>	<u>2,442,541</u>	<u>2,260,310</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>30,591,391</u>	<u>30,463,179</u>	<u>31,402,621</u>	<u>31,220,394</u>
Defined Benefit Pension scheme	8	329,000	329,000	(5,000)	(5,000)
NET ASSETS		<u>30,920,391</u>	<u>30,792,179</u>	<u>31,397,621</u>	<u>31,215,394</u>
FINANCED BY:					
Restricted funds	16	275,676	275,676	19,467	19,467
Designated funds	16	29,499,037	29,499,037	29,309,766	29,309,766
General funds	16	1,145,678	1,017,466	2,068,388	1,886,161
		<u>30,920,391</u>	<u>30,792,179</u>	<u>31,397,621</u>	<u>31,215,394</u>

Approved and authorised for issue by the Charity Trustees on 29 July 2020 and signed on their behalf by:-



A Lynch – Chair

Fire Fighters Charity
CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 March 2020

	Note	£	2020 £	£	2019 £
NET CASH INFLOW PROVIDED BY OPERATING ACTIVITIES	20		465,080		802,536
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends, interest and rents from investments	4	360,317		319,786	
Purchase of property, plant and equipment	10	(1,477,036)		(1,015,787)	
Proceeds from sale of equipment		7,950		30,894	
Proceeds from sale of investments	11	1,500,000		-	
NET CASH GENERATED BY / (USED BY) INVESTING ACTIVITIES			391,231		(665,107)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD			856,311		137,429
Cash equivalents at the beginning of the reporting period			1,281,182		1,143,753
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	21		2,137,493		1,281,182

Fire Fighters Charity
CHARITY CASH FLOW STATEMENT
Year ended 31 March 2020

	Note	£	2020 £	£	Restated 2019 £
NET CASH (OUTFLOW) / PROVIDED BY OPERATING ACTIVITIES	20		(454,307)		1,723
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends, interest and rents from investments	4	359,722		319,092	
Purchase of property, plant and equipment	10	(1,477,036)		(1,015,787)	
Gift Aid payment from subsidiary		876,132		705,027	
Proceeds from sale of equipment		7,950		30,894	
Proceeds from sale of Investments	11	1,500,000		-	
NET CASH GENERATED BY INVESTING ACTIVITIES			1,266,768		39,226
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD			812,461		40,949
Cash equivalents at the beginning of the reporting period			1,206,675		1,165,726
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	21		2,019,136		1,206,675

Fire Fighters Charity

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

PRINCIPAL ACCOUNTING POLICIES

The Statements of Financial Activities and Balance Sheets have been prepared in accordance with applicable accounting standards under the historical cost convention, except for investments, which are stated at market value.

The Statements of Financial Activities and Balance Sheets reflect the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP), issued in January 2015 (which is applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland [FRS102]) and the Companies Act 2006.

The Fire Fighters Charity constitutes a public benefit entity as defined by FRS 102.

DONATIONS

Donations and gifts are recognised in the Statements of Financial Activities and Balance Sheets as soon as there is entitlement, probability of receipt and an ability to measure the value.

LEGACIES

Income from legacies is recognised when the legacy has been received or when the Charity has been notified of entitlement of the legacy prior to the year end and it is probable that the legacy will be received, defined when:

- there has been grant of probate,
- the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and
- any conditions attached to the legacy either are within the control of the charity or have been met.

LOTTERY INCOME

Lottery income is recognised based on the number of tickets included in each monthly draw. Any tickets purchased for future draws are deferred until that draw takes place.

CENTRES' INCOME

This represents ancillary income generated at the Charity's rehabilitation and recuperation centres and is recognised on receipt.

GRANTS RECEIVABLE

Grants are recognised on notification when there is entitlement, likelihood of receipt is probable, and the amount can be measured.

DEFERRED INCOMING RESOURCES

Income received in advance is included in deferred income.

GIFTS IN KIND

Incoming resources in the form of gifts in kind are included in the Statements of Financial Activities when they are seen as having a value in excess of £1,000. Assets given for use by the Charity are recognised as incoming resources and within the relevant fixed asset category of the Balance Sheet when received.

Fire Fighters Charity

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

An amount equal to the donations income recognised on gifts in kind and goods or services received free of charge is included within the most relevant category of expenditure to which the donation relates.

INVESTMENT INCOME

Dividends are recognised in the Statements of Financial Activities and Balance Sheets when they are receivable.

Bank interest is included in the Statements of Financial Activities and Balance Sheets when receivable.

TRADING INCOME

Trading income is recognised as services or goods provided or despatched.

EXPENDITURE

The value of purchase invoices not paid until after the year-end but relating to the year has been included in the Statements of Financial Activities and Balance Sheets.

Liabilities are recognised as soon as there is a legal or constructive liability committing the charity to pay out resources.

IRRECOVERABLE VAT

Irrecoverable VAT is not separately analysed and is charged to the Statements of Financial Activities and Balance Sheets when the expenditure to which it relates is incurred and is allocated as part of the expenditure to which it relates.

GRANTS

Grants are paid and expensed as they are authorised and the recipient is notified of the grant award and a legal or constructive obligation is created.

FUNDRAISING COSTS

Expenditure, inclusive of any irrecoverable VAT, is accounted for on an accruals basis as liabilities are incurred. Where appropriate, costs are deferred so as to permit recognition in the same accounting period as related income

INVESTMENTS AND INVESTMENT GAINS AND LOSSES

Stocks and shares quoted on the London Stock Exchange are included in the Balance Sheets at their market value as at the year-end date.

Investment management fees are charged as part of a managed fund and deducted before income is distributed. The fund incurs a management charge of 0.65%, this equated to approximately £85k in 2019-20 (£87k 2018-19).

Fire Fighters Charity

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

BASIS OF CONSOLIDATION

The group accounts consolidate the accounts of the charitable company and its subsidiary companies. Intra-group balances and transactions are eliminated on consolidation. The results of the subsidiary companies are consolidated on a line by line basis.

CAPITALISATION AND DEPRECIATION OF TANGIBLE FIXED ASSETS

Expenditure on tangible fixed assets is capitalised if the cost of the asset, or a group of related assets, is £5,000 or more. The cost of tangible fixed assets is their purchase cost together with any incidental expenses of acquisition. Tangible fixed assets are stated at cost net of depreciation. All tangible fixed assets, other than freehold land and assets in progress are depreciated using the straight line method over their estimated useful lives as follows:

Freehold and long-leasehold property	30-50 years
Building improvements	5-25 years
Furniture and equipment	3-10 years
Plant and machinery	5-7 years
Motor vehicles	4-7 years

Assets in the course of construction are not depreciated until brought into operational use. Any assets that are impaired in value are written down to their recoverable amount.

STOCKS

Stocks are stated at the lower of cost and net realisable value. Net realisable value of stocks for re-sale is derived from the estimated selling prices of the stock less direct selling costs. Consumable stocks are valued at cost, unless it is anticipated that the stocks will not be used in the foreseeable future. In the latter case, the stocks are not valued.

DEBTORS

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

CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Fire Fighters Charity

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

FINANCIAL INSTRUMENTS

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

LEASES

Amounts due under operating leases are charged to the Statements of Financial Activities and Balance Sheets on a straight line basis over the term of the lease.

Equipment purchased under finance leases is capitalised as if purchased outright with depreciation charged to the Statements of Financial Activities, interest is charged equally over the length of the lease.

APPORTIONMENT OF EXPENDITURE

Expenditure is apportioned under the guidance of Financial Reporting Standard 102 and analysed between costs of generating funds, charitable activities and governance costs:

The method of apportionment is as follows:

1. Costs attributable solely to one activity are allocated to that activity
2. Costs that contribute directly to the output of more than one activity are apportioned on a reasonable, justifiable and consistent basis,
3. Support and governance costs are apportioned based on the following criteria:

General Management	Time allocated
Marketing & Communications	Time allocated
Customer Services	Total number of employees
Finance	Total number of transactions
Databases	Time allocated
IT	Total number of IT supported employees
HR	Total number of employees
Volunteer Management	Time allocated
Legal & Governance	Total number of employees

FUNDS

Restricted funds are those funds received which have been donated based on of the Charity using those funds for a specific purpose as outlined by the donor. Descriptions of the restrictions placed on those donations are provided in note 16 to the accounts.

Designated funds are created out of unrestricted funds for specific purposes. Funds are released once the purposes have been fulfilled or when the Trustees are of the opinion that circumstances no longer warrant the designation of funds. The value and purpose of each designated fund can be found in note 16 to the accounts.

General funds are the accumulated unrestricted funds of the Charity, which have not been designated for a specific purpose. There is a specific minimum amount the Trustees require to be held as general funds, this is outlined in the reserves policy on page 13.

Fire Fighters Charity

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

RETIREMENT BENEFITS

For defined benefit schemes the amount charged to resources expended in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within resources expended.

Actuarial gains and losses arising from new valuations and from updating valuations to the Balance Sheet date are recognised in the Statements of Financial Activities and Balance Sheets as actuarial gains and losses on defined benefit pension scheme.

Defined benefit schemes are funded, with the assets held separately from the group in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every 3 years, and updated to reflect current conditions at each Balance Sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the Balance Sheets only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the Trustees have agreed a refund from the scheme at the Balance Sheet date. A pension scheme liability is recognised to the extent that the group has a legal or constructive obligation to settle the liability.

For defined contribution schemes the amount charged to Statements of Financial Activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheets.

LIQUID RESOURCES

Liquid resources are represented by monies held by the Charity's investment managers for investment purposes. These funds are held as cash deposits.

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Tangible fixed assets (see note 10)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

GOING CONCERN

As outlined in the Trustees' report the Trustees consider that despite the economic impact of Covid 19, the strength of reserves held will enable the Charity to sustain losses in the next 12 months while still progressing with new strategic plans. The trustees are therefore of the opinion that there are no material uncertainties about the Charity's ability to continue as a going concern. Covid 19 did not materially impact the current year accounts.

Fire Fighters Charity

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

1 DONATIONS AND LEGACIES

GROUP AND CHARITY	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
		£	£	£
Regular giving donations	2,384,120	-	2,384,120	2,344,563
Corporate and other donations	2,430,823	8,127	2,438,950	2,559,088
Gifts in kind	23,455	-	23,455	23,205
Legacies receivable	478,424	333,750	812,174	890,396
Grants	44,099	888,612	932,711	853,602
	<u>5,360,921</u>	<u>1,230,489</u>	<u>6,591,410</u>	<u>6,670,854</u>

In 2019, the income from donations and legacies was £6,670,854 of which £5,712,179 was unrestricted and £958,675 was restricted.

Income includes aggregated unconditional donations from 7 trustees (2019: 6 trustees) totalling £614 (2019: £1,799).

The Charity is grateful to volunteers who assist the Charity in a variety of roles including co-ordinating fundraising activities, raising awareness of Charity services and supporting beneficiaries through the provision of welfare visits and living well groups. The aggregate time given by all volunteers is in excess of 100,000 hours annually and such activity provides a significant contribution to the continued success of the organisation. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of these volunteers is not recognised in the accounts.

2 OTHER TRADING ACTIVITIES

	Group 2020	Charity 2020	Group 2019	Charity 2019
	£	£	£	£
Lottery	1,457,684	1,457,684	1,352,148	1,352,148
Centres income	16,323	16,323	46,196	46,190
Trading income	1,390,955	-	1,366,608	-
	<u>2,864,962</u>	<u>1,474,007</u>	<u>2,764,952</u>	<u>1,398,338</u>

£31,755 of lottery income has been deferred as it relates to draws that have not yet taken place. £24,402 was released to income in the current year from amounts deferred in 2019.

In 2020 and 2019 all of the income from other trading activities was unrestricted.

Fire Fighters Charity

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

3 NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES

The wholly owned trading subsidiary, Fire Fighters Trading Limited, a company incorporated in England & Wales (company number 3816625), undertakes selling products branded with the Fire Fighters Charity logo and non-charitable trading activities held at the Charity's rehabilitation and recuperation centres.

The non-charitable net income of the subsidiary is as follows:

	2020	Restated 2019
	£	£
Trading turnover	1,390,955	1,366,608
Cost of sales	(308,912)	(322,919)
Gross profit	1,082,043	1,043,689
Administrative expenses	(273,637)	(238,352)
Other operating income	13,121	16,407
Operating profit	821,527	821,744
Other interest receivable	595	694
Profit before and after taxation	822,122	822,438

As at 31 March 2020, the company's net assets comprised current assets of £333,598 (Restated 2019: £297,653) and current liabilities of £205,384 (Restated 2019: £115,429). The profit is gifted to the Charity.

The financial information for this company has been extracted from the company's financial statements for the year ended 31 March 2020. The audit report on these financial statements was unqualified.

Prior Year Adjustment

The charitable group has adopted an amendment to the charities SORP on recognition of Gift Aid donations from a trading subsidiary to a parent charity. Gift Aid donations are no longer accrued unless a legal obligation is in existence and are now recognised on the date of payment. A prior year adjustment is required in the financial statements to re-state the opening reserves at 1 April 2018 and the prior year comparative general funds. The net impact on the financial statements is a decrease in the parent charity's surplus of £175,184 in 2019. There is no impact on the consolidated financial statements.

4 INCOME FROM INVESTMENTS

	Group 2020	Charity 2020	Group 2019	Restated Charity 2019
	£	£	£	£
Income from listed investments	356,477	356,477	317,068	317,068
Interest	3,840	3,245	2,718	2,023
Gift Aid payment from subsidiary	-	876,132	-	705,027
	360,317	1,235,854	319,786	1,024,118

In 2019 all of the income from investments was unrestricted.

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

5 ANALYSIS OF EXPENDITURE ON RAISING FUNDS AND CHARITABLE ACTIVITIES

GROUP

	Direct Costs £	Support Costs £	Total 2020 £	Direct Costs £	Support Costs £	Total 2019 £
COSTS OF RAISING FUNDS						
Raising funds	1,001,750	570,340	1,572,090	799,833	451,861	1,251,694
Fundraising trading costs	1,309,803	304,737	1,614,540	1,204,073	412,241	1,616,314
	<u>2,311,553</u>	<u>875,077</u>	<u>3,186,630</u>	<u>2,003,906</u>	<u>864,102</u>	<u>2,868,008</u>
COSTS OF CHARITABLE ACTIVITIES						
Rehabilitation and recuperation	4,832,898	1,310,462	6,143,360	4,426,151	1,179,442	5,605,593
Beneficiary support	377,884	189,227	567,111	349,090	103,146	452,236
Retirement	49,857	6,501	56,358	54,743	5,689	60,432
	<u>5,260,639</u>	<u>1,506,190</u>	<u>6,766,829</u>	<u>4,829,984</u>	<u>1,288,277</u>	<u>6,118,261</u>
Total Resources Expended	<u>7,572,193</u>	<u>2,381,266</u>	<u>9,953,459</u>	<u>6,833,890</u>	<u>2,152,379</u>	<u>8,986,269</u>

CHARITY

	Direct Costs £	Support Costs £	Total 2020 £	Direct Costs £	Support Costs £	Total 2019 £
COSTS OF RAISING FUNDS						
Costs of generating voluntary income	1,001,751	590,513	1,592,264	799,833	489,040	1,288,873
Fundraising trading costs	740,374	303,025	1,043,399	659,208	374,345	1,033,553
	<u>1,742,125</u>	<u>893,538</u>	<u>2,635,663</u>	<u>1,459,041</u>	<u>863,385</u>	<u>2,322,426</u>
COSTS OF CHARITABLE ACTIVITIES						
Rehabilitation and recuperation	4,832,898	1,291,896	6,124,794	4,426,153	1,180,059	5,606,212
Beneficiary support	377,884	189,302	567,186	349,089	103,221	452,310
Retirement	49,857	6,526	56,383	54,743	5,714	60,457
	<u>5,260,639</u>	<u>1,487,724</u>	<u>6,748,363</u>	<u>4,829,985</u>	<u>1,288,994</u>	<u>6,118,979</u>
Total Resources Expended	<u>7,002,764</u>	<u>2,381,262</u>	<u>9,384,026</u>	<u>6,289,026</u>	<u>2,152,379</u>	<u>8,441,405</u>

Included with the costs above are:

	2020 £	2019 £
Depreciation	617,973	604,195
Operating leases – land and buildings	102,696	102,696
Operating leases – other	6,880	7,020
Auditor's remuneration (Charity only: £16,870 (2019: £16,395))	19,395	18,870
Governance costs	50,178	46,549

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

5 ANALYSIS OF EXPENDITURE ON RAISING FUNDS AND CHARITABLE ACTIVITIES (continued)

**ANALYSIS OF SUPPORT COSTS
GROUP AND CHARITY**

	2020	2019
	£	£
Staff costs	1,249,810	1,132,847
Office costs	429,897	379,396
Depreciation	99,310	104,952
VAT irrecoverable	115,581	103,802
Volunteer costs	5,187	2,392
Travel costs	33,540	32,632
Other costs	447,941	396,358
	<u>2,381,266</u>	<u>2,152,379</u>

Support costs, including governance costs, are allocated between activities on the basis set out on page 27.

In 2019, the expenditure on charitable activities was £6,118,261 of which £5,620,408 was unrestricted and £497,853 was restricted.

In 2019, the expenditure on raising funds was £2,322,426, all of which was unrestricted.

6 BENEFICIARY SUPPORT

	2020	2019
	£	£
One-off solutions	177,864	160,212
Continuing support	-	400
Islander travel	2,214	3,014
Wreaths	175	381
Other direct costs	197,631	185,083
	<u>377,884</u>	<u>349,090</u>
Administration costs	189,227	103,146
	<u>567,111</u>	<u>452,236</u>

All grant payments are made to individuals and no grant funding from third parties has been received in relation to them.

7 STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

	2020	2019
	£	£
Wages and salaries	4,405,509	3,839,443
Social security costs	378,295	318,841
Pension costs	353,922	302,000
	<u>5,137,726</u>	<u>4,460,284</u>

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

7 STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL (continued)

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

	2020 Number	2019 Number
£70,001 - £80,000	2	2
£90,001 - £100,000	1	1
£100,001 - £110,000	0	1
£110,001 - £120,000	1	0

During the year, pension contributions of £32,189 (2019: £28,595) were paid in respect of the above employees to defined contribution pension schemes.

The key management personnel of the Group comprise those of the Charity and the key management personnel of its wholly owned subsidiary the Fire Fighters Trading Limited. The key management personnel of the trading company comprise its Directors and of the Charity, comprise the Trustees and the Strategic Leadership Team as detailed on page 2. The total employee benefits of the key management personnel of the Group and the Charity were £442,064 (2019: £384,562).

The Trustees were not paid or received any other benefits from employment with the Charity or its subsidiary in the year (2019: Nil). Travel, accommodation and subsistence expenses totalling £6,345 (2019: £9,380) were reimbursed to 8 Trustees during the year (2019: 8 Trustees).

Redundancy payments of £3,392 were paid to 2 employees (2019: £46,562 to 10 employees). No ex gratia payments were paid during the year (2019: Nil).

The average number of staff employed during the year was 188 (2019: 181).

Numbers employed, calculated on a full time equivalent basis, analysed by function were:

	2020 Number	2019 Number
Charitable activities:		
Rehabilitation and recuperation centres	89	80
Beneficiary support	10	10
Costs of generating funds	19	16
Support	21	22
	<u>139</u>	<u>128</u>

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

8 PENSION COSTS

	2020 £'000	2019 £'000
AMOUNTS RECOGNISED IN THE BALANCE SHEETS		
Fair value of employer assets	1,476	1,524
Present value of funded liabilities	(1,147)	(1,529)
	<u>329</u>	<u>(5)</u>
RECONCILIATION OF DEFINED BENEFIT OBLIGATION		
Opening defined benefit obligation	1,529	1,480
Current service cost	13	12
Interest cost	36	38
Contributions by members	2	2
Changes in assumptions	(365)	68
Estimated benefits paid	(68)	(71)
	<u>1,147</u>	<u>1,529</u>
RECONCILIATION OF FAIR VALUE OF EMPLOYER ASSETS		
Opening fair value of employer assets	1,524	1,479
Interest income	36	38
Contributions by members	2	2
Contributions by the employer	21	21
Return on assets excl. amounts included in net interest	(39)	55
Benefits paid	(68)	(71)
	<u>1,476</u>	<u>1,524</u>

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

8 PENSION COSTS (continued)

THE MAJOR CATEGORIES OF PLAN ASSETS AS A PERCENTAGE OF TOTAL PLAN ASSETS	2020	2019
Equities	47%	51%
Bonds	39%	36%
Property	8%	9%
Cash	6%	4%
Total	100%	100%

	2020	2019
PRINCIPAL ACTUARIAL ASSUMPTIONS		
Pension increase rate	1.9%	2.5%
Salary increase rate	2.3%	3.2%
Discount rate	2.3%	2.4%

MORTALITY

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2018 model, an allowance for smoothing of recent mortality experience and long term rates of improvement of 1.5% p.a. for males and females.

	Males	Females
Current pensioners	22.2 years	24.2 years
Future pensioners*	23.3 years	25.9 years

* Figures assume members aged 45 as at the last formal valuation date.

COMMUTATION

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

The Charity operates a defined contribution scheme for which the charge in the year was £354k (2019: £311k). £33k was unpaid at the year-end (2019: £30k).

9 TAXATION

There was no taxation charge for the period. Taxable profits are dependent on the extent to which subsidiary company profits are distributed to the Charity by way of Gift Aid.

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

10 FIXED ASSETS					
GROUP AND CHARITY	Freehold property	Assets in the course of construction	Fixtures, fittings & equipment	Motor vehicles	Total
COST	£	£	£	£	£
At 1 April 2019	15,064,182	346,886	5,467,304	75,162	20,953,534
Additions	426,102	586,378	464,430	126	1,477,036
Transfers	346,886	(346,886)	-	-	-
Disposals	-	-	(54,980)	-	(54,980)
At 31 March 2020	15,837,170	586,378	5,876,754	75,288	22,375,590
DEPRECIATION					
At 1 April 2019	2,941,262	-	3,876,313	61,215	6,878,790
Charge	326,244	-	288,947	2,782	617,973
Disposals	-	-	(54,980)	-	(54,980)
At 31 March 2020	3,267,506	-	4,110,279	63,997	7,441,782
NET BOOK VALUE					
At 31 March 2020	12,569,665	586,378	1,766,475	11,290	14,933,808
At 31 March 2019	12,122,920	346,886	1,590,991	13,947	14,074,744

The net book value at 31 March 2020 represents fixed assets used for:

	Freehold property	Assets in the course of construction	Fixtures, fittings & equipment	Motor vehicles	Total
	£		£	£	£
DIRECT CHARITABLE ACTIVITIES					
Rehabilitation and recuperation centres	11,360,677	564,875	1,503,603	11,290	13,440,445
Retirement homes	1,191,748	-	34,212	-	1,225,960
	12,552,425	564,875	1,537,815	11,290	14,666,405
FUNDRAISING AND SUPPORT ACTIVITIES					
Head office and other assets	17,240	21,503	228,660	-	267,403
	12,569,665	586,378	1,766,475	11,290	14,933,808

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

10 FIXED ASSETS (continued)

The net book value at 31 March 2019 represents fixed assets used for:

	Freehold property £	Assets in the course of construction	Fixtures, fittings & equipment £	Motor vehicles £	Total £
DIRECT CHARITABLE					
ACTIVITIES	10,896,837	346,886	1,210,822	13,947	12,468,492
Rehabilitation and recuperation centres	1,208,392	-	39,672	-	1,248,064
Retirement homes					
	<u>12,105,229</u>	<u>346,886</u>	<u>1,250,494</u>	<u>13,947</u>	<u>13,716,556</u>
FUNDRAISING AND SUPPORT ACTIVITIES	17,691	-	340,497	-	358,188
Head office and other assets					
	<u>12,122,920</u>	<u>346,886</u>	<u>1,590,991</u>	<u>13,947</u>	<u>14,074,744</u>

11 FIXED ASSET INVESTMENTS

GROUP AND CHARITY

	2020 £	2019 £
Market value at 1 April 2019	14,885,336	14,234,273
Reclassification from fixed assets	-	-
	<u>14,885,336</u>	<u>14,234,273</u>
Disposal proceeds	(1,500,000)	-
Unrealised (loss)/gain on revaluation at 31 March 2020	(820,107)	651,063
	<u>12,565,229</u>	<u>14,885,336</u>
Market value at 31 March 2020	<u>12,565,229</u>	<u>14,885,336</u>
Historical cost as at 31 March 2020	<u>9,276,609</u>	<u>10,278,150</u>

All investments are listed on recognised exchanges and no individual investment exceeds 5% of the total fund.

ANALYSIS OF INVESTMENTS

	£	£
Unit trusts	10,990,229	13,310,336
Investment Property	1,575,000	1,575,000
Market value at 31 March 2020	<u>12,565,229</u>	<u>14,885,336</u>

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

12 INVESTMENTS IN GROUP COMPANIES

The Charity holds shares in two wholly owned subsidiary companies incorporated in England at a cost of £2 each. A summary of their activities and financial position is as follows:

	Turnover and other operating income £	Net profit before tax £	Net assets £
Fire Fighters Trading Limited (Sells Fire Fighters Charity branded goods and other similar merchandise as well as non-charitable trading activities held at the Charity's rehabilitation and recuperation centres.)	1,404,076	822,122	128,214
FSNBF Limited (Dormant)	-	-	2

13 STOCKS	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Goods for resale	72,969	-	101,829	-
Consumables	7,611	7,611	9,494	9,494
	<u>80,580</u>	<u>7,611</u>	<u>111,323</u>	<u>9,494</u>
14 DEBTORS	Group 2020 £	Charity 2020 £	Group 2019 £	Restated Charity 2019 £
Trade debtors	132,619	525	114,517	803
Other debtors	65,563	65,172	44,661	44,667
Prepayments & accrued income	1,164,277	1,154,489	1,508,276	1,500,671
Amounts owed by subsidiary undertakings	-	125,476	-	17,479
	<u>1,362,459</u>	<u>1,345,662</u>	<u>1,667,454</u>	<u>1,563,620</u>
15 CREDITORS – amounts falling due within one year	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Trade creditors	180,127	177,251	308,376	306,689
Other taxation & social security	147,565	98,738	127,109	81,907
Other creditors	54,371	52,907	47,174	45,714
Accruals and deferred income	106,115	79,375	134,759	85,169
	<u>488,178</u>	<u>408,271</u>	<u>617,418</u>	<u>519,479</u>

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

16 STATEMENT OF FUNDS – Year ended 31 March 2020

GROUP	Balance b/fwd. £	Incoming resources £	Outgoing resources £	Transfers £	Balance c/fwd. £
Restricted Funds					
Charitable activities (a)	19,467	1,230,489	(180,793)	(793,487)	275,676
Unrestricted Funds:					
Designated Funds					
Fixed asset fund (b)	14,074,744	-	-	859,064	14,933,808
Reserves policy des'n (c)	14,885,336	-	-	(2,320,107)	12,565,229
Property designation (d)	349,686	-	-	(349,686)	-
Strategic plan des'n (e)	-	-	-	2,000,000	2,000,000
Total Designated Funds	29,309,766	-	-	189,271	29,499,037
General Funds					
Free reserves	2,073,388	8,739,847	(10,600,773)	604,216	816,678
Pension fund surplus/(deficit)	(5,000)	-	334,000	-	329,000
Total General Funds	2,068,388	8,739,847	(10,266,773)	604,216	1,145,678
Total Funds	31,397,621	9,970,336	(10,447,566)	-	30,920,391
	Restated Balance b/fwd. £	Incoming resources £	Outgoing resources £	Transfers £	Balance c/fwd. £
CHARITY					
Restricted Funds					
Charitable activities (a)	19,467	1,230,489	(180,793)	(793,487)	275,676
Unrestricted Funds:					
Designated Funds					
Fixed asset fund (b)	14,074,744	-	-	859,064	14,933,808
Reserves policy des'n (c)	14,885,336	-	-	(2,320,107)	12,565,229
Property designation (d)	349,686	-	-	(349,686)	-
Strategic plan des'n (e)	-	-	-	2,000,000	2,000,000
Total Designated Funds	29,309,766	-	-	189,271	29,499,037
General Funds					
Free reserves	1,891,161	8,224,429	(10,031,340)	604,216	688,466
Pension fund surplus/(deficit)	(5,000)	-	334,000	-	329,000
Total General Funds	1,886,161	8,224,429	(9,697,340)	604,216	1,017,466
Total Funds	31,215,394	9,454,918	(9,878,133)	-	30,792,179

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

16 STATEMENT OF FUNDS – Year ended 31 March 2019

GROUP	Balance b/fwd. £	Incoming resources £	Outgoing resources gains and losses £	Transfers £	Balance c/fwd. £
Restricted Funds					
Charitable activities (a)	71,112	958,675	(497,853)	(512,467)	19,467
Unrestricted Funds:					
Designated Funds					
Fixed asset fund (b)	13,666,991	-	-	407,753	14,074,744
Reserves policy designation (c)	14,234,273	-	-	651,063	14,885,336
Property designation (d)	800,000	-	-	(450,314)	349,686
Total Designated Funds	28,701,264	-	-	608,502	29,309,766
General Funds					
Free reserves	1,023,463	8,992,313	(7,846,353)	(96,035)	2,073,388
Pension fund deficit	(1,000)	-	(4,000)	-	(5,000)
Total General Funds	1,022,463	8,992,313	(7,850,353)	(96,035)	2,068,388
Total Funds	29,794,839	9,950,988	(8,348,206)	-	31,397,621
CHARITY	Restated Balance b/fwd. £	Restated Incoming resources £	Outgoing resources gains and losses £	Transfers £	Restated Balance c/fwd. £
Restricted Funds					
Charitable activities (a)	71,112	958,675	(497,853)	(512,467)	19,467
Unrestricted Funds:					
Designated Funds					
Fixed asset fund (b)	13,666,991	-	-	407,753	14,074,744
Reserves policy designation (c)	14,234,273	-	-	651,063	14,885,336
Property designation (d)	800,000	-	-	(450,314)	349,686
Total Designated Funds	28,701,264	-	-	608,502	29,309,766
General Funds					
Free reserves	958,652	8,330,033	(7,301,489)	(96,035)	1,891,161
Pension fund deficit	(1,000)	-	(4,000)	-	(5,000)
Total General Funds	957,652	8,330,033	(7,305,489)	(96,035)	1,886,161
Total Funds	29,730,028	9,288,708	(7,803,342)	-	31,215,394

Fire Fighters Charity
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STATEMENT OF FUNDS (continued)

- (a) This fund represents other gifts and grants that are to be spent in line with the wishes of the donors, the restrictions on which may include supporting beneficiaries from a defined geographical area or the purchase of equipment. The amounts expensed on capital items are transferred to the fixed asset fund. The intention is to spend these funds within the next 12 months.
- (b) Fixed asset fund represents the net book value of fixed assets. Transfers represent fixed asset activity in other funds held.
- (c) The Reserves Policy designated fund reflects the Board's requirement to hold in reserve the minimum of either 12 months' expenditure or the value of investments held to support the income target for the year ahead.
- (d) In 2019 the Board designated £0.8m to further develop the ability of the Charity's properties to increase the sustainability of services. This has now been fully utilised.
- (e) The Board has designated £2m to support expected future losses linked to the Strategic Plan.

17 ANALYSIS OF NET ASSETS BY FUND – As at 31 March 2020

GROUP	Restricted Funds £	Designated Funds £	General Funds £	2020 Total £
Tangible Fixed Assets	-	14,933,808	-	14,933,808
Fixed Asset Investments	-	12,565,229	-	12,565,229
Net Current Assets	275,676	2,000,000	816,678	3,092,354
Long term assets (includes pension asset)	-	-	329,000	329,000
Net Assets	<u>275,676</u>	<u>29,499,037</u>	<u>1,145,678</u>	<u>30,920,391</u>

CHARITY	Restricted Funds £	Designated Funds £	General Funds £	2020 Total £
Tangible Fixed Assets	-	14,933,808	-	14,933,808
Fixed Asset Investments	-	12,565,229	4	12,565,233
Net Current Assets	275,676	2,000,000	688,462	2,964,138
Long term assets (includes pension asset)	-	-	329,000	329,000
Net Assets	<u>275,676</u>	<u>29,499,037</u>	<u>1,017,466</u>	<u>30,792,179</u>

Fire Fighters Charity
NOTES TO THE FINANCIAL STATEMENTS
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17 ANALYSIS OF NET ASSETS BY FUND – As at 31 March 2019

GROUP	Restricted Funds £	Designated Funds £	General Funds £	2019 Total £
Tangible Fixed Assets	-	14,074,744	-	14,074,744
Fixed Asset Investments	-	14,885,336	-	14,885,336
Net Current Assets	19,467	349,686	2,073,388	2,442,541
Long term liabilities (includes pension liability)	-	-	(5,000)	(5,000)
Net Assets	<u>19,467</u>	<u>29,309,766</u>	<u>2,068,388</u>	<u>31,397,621</u>

CHARITY Restated	Restricted Funds £	Designated Funds £	General Funds £	2019 Total £
Tangible Fixed Assets	-	14,074,744	-	14,074,744
Fixed Asset Investments	-	14,885,336	4	14,885,340
Net Current Assets	19,467	349,686	1,891,157	2,260,310
Long term liabilities (includes pension liability)	-	-	(5,000)	(5,000)
Net Assets	<u>19,467</u>	<u>29,309,766</u>	<u>1,886,161</u>	<u>31,215,394</u>

18 DEFERRED INCOME

	As at 1 April 2019 £	Released in the Year £	Deferred in the Year £	As at 31 March 2020 £
Events	100	(100)	-	-
Donations	576	(576)	598	598
Hotel Ledger	44,667	(44,667)	31,755	31,755
Lottery	24,402	(24,402)	23,615	23,615
Total	<u>69,745</u>	<u>(69,745)</u>	<u>55,968</u>	<u>55,968</u>

Events and donations deferred income relates to income overpaid in the current accounting period to be set off in the following financial year. Hotel Ledger deferred income relates to rental accommodation paid for in advance, which will be released when the rental occurs. Lottery deferred income relates to payments made in advance of future lottery draws, which will be released when those draws occur.

Fire Fighters Charity
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Year ended 31 March 2020

19 COMMITMENTS – GROUP AND CHARITY

As at
31 March
2020
£

As at
31 March
2019
£

OPERATING LEASES – LAND AND BUILDINGS

At 31 March 2020 the Group was committed to total payments in respect of operating leases which expire:

After more than five years	-	-
Between two and five years	77,022	179,718
Within 12 months	102,696	102,696
	<u> </u>	<u> </u>

OPERATING LEASES – OTHER

Between two and five years	11,790	-
Within 12 months	6,737	3,510
	<u> </u>	<u> </u>

20 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Group 2020 £	Charity 2020 £	Group 2019 £	Restated Charity 2019 £
Net income /(expenditure)	(803,230)	(749,215)	1,615,782	1,440,593
Losses/(gains) on investments	820,107	820,107	(651,063)	(651,063)
Dividends from investments	(356,477)	(356,477)	(317,068)	(317,068)
Interest received	(3,840)	(3,245)	(2,718)	(2,023)
Gift Aid payment from subsidiary	-	(876,132)	-	(705,027)
Movement in defined benefit pension	(8,000)	(8,000)	(9,000)	(9,000)
	<u>(351,440)</u>	<u>(1,172,962)</u>	<u>635,935</u>	<u>(243,588)</u>
Depreciation	617,973	617,973	604,195	604,195
Decrease/(increase) in stocks	30,743	1,883	(20,251)	500
(Increase)/decrease in debtors	304,994	217,958	(560,450)	(512,150)
(Decrease)/increase in creditors	(129,240)	(111,209)	170,163	179,822
(Profit)/loss on the sale of fixed assets	(7,950)	(7,950)	(27,056)	(27,056)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	<u>465,080</u>	<u>(454,307)</u>	<u>802,536</u>	<u>1,723</u>

Fire Fighters Charity
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Year ended 31 March 2020

21 ANALYSIS OF CHANGES IN NET CASH

GROUP	1 April 2019 £	Cash flows £	31 March 2020 £
Cash at bank and in hand	1,281,182	856,311	2,137,493
	<u>1,281,182</u>	<u>856,311</u>	<u>2,137,493</u>
	<u>1,281,182</u>	<u>856,311</u>	<u>2,137,493</u>
CHARITY	1 April 2019 £	Cash flows £	31 March 2020 £
Cash at bank and in hand	1,206,675	812,461	2,019,136
	<u>1,206,675</u>	<u>812,461</u>	<u>2,019,136</u>
	<u>1,206,675</u>	<u>812,461</u>	<u>2,019,136</u>

22 CAPITAL COMMITMENTS

At 31 March 2020 the Charity had capital commitments totalling £173,009. The amount outstanding at 31 March 2019 was £415,485.

23 RELATED PARTY TRANSACTIONS

The Charity has taken advantage of the exemption in Financial Reporting Standard 102 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared.

Donations totalling £614 have been received from 7 trustees (2019: £1,799 - 6 trustees).