

Company number: 00407270
Charity number: 00233480

BFBS

ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021

BFBS

CONTENTS

	Page
Administrative details of the Charity, its Trustees and advisers	1 - 2
Report of the Board of Trustees	3 - 15
Independent auditor's report on the financial statements	16 - 20
Statement of financial activities	21
Balance sheet	22
Statement of cash flows	23
Notes to the financial statements	24 - 42
Trustees and Executive Management	43 - 44

BFBS

**ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Corporation registration number 00407270 (incorporated in England & Wales)

Charity registration number 00233480

Registered office Chalfont Grove
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Websites www.bfbs.com
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BFBS

**ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

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BFBS

**REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2021**

The Board of Trustees of BFBS has pleasure in presenting its report on the activities and results for the year ended 31 March 2021.

Change of name

A significant event for our organisation took place on 23 July 2020 when our name and associated branding changed from 'The Services Sound and Vision Corporation' to 'BFBS'. The change was effected in order to eliminate confusion between our various trading names and brands and it was implemented following detailed consultation with all our stakeholders and, in particular, with our beneficiaries. The feedback from this exercise made it clear that BFBS was the name which resonated by far the most strongly with the HM Armed Forces ('the Forces') community we exist to serve, tying closely back to our heritage and our charitable aims.

Our aims and how our activities deliver public benefit

Our charity's aims are to promote the efficiency of the Forces through the provision of services related to entertainment, information, education, welfare and training.

Our activities deliver benefit through:

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

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

The primary source of funding for most of our work comes from contracts held with the MoD. More recently though, we have developed a range of education and training services largely funded through charitable grants from other organisations.

ACHIEVEMENTS AND PERFORMANCE

The backdrop of the Covid pandemic made the year to 31 March 2021 a uniquely challenging one during which the ingenuity and outstanding commitment of our staff ensured that there was no adverse impact on our services. In many instances our teams went even further 'over and above' and strengthened support for our beneficiaries through a range of new initiatives from the provision of free Sky/Now TV for families repatriated at short notice through to free online newspapers and magazines for the Forces community globally.

The vital part our work has played in supporting the morale and wellbeing of military communities around the world has been widely acknowledged and we have been delighted to receive overwhelmingly positive feedback including this from the Minister for the Armed Forces:

BFBS

REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

(continued)

"I would like to offer my sincere thanks, on behalf of the Armed Forces, for the hard work BFBS undertakes in order to provide Service personnel and their families with TV and radio both in the UK and when stationed overseas; I know it is very much appreciated." James Heappey, Minister for the Armed Forces.

Broadcasting

Our role in the heart of the military community brought us even closer to the audience during such a difficult time, using our radio stations to bring the very latest Covid information, specific to region, to keep them up to date, telling the stories that needed to be heard from the frontline of the effort to respond to the virus. Our radio series "Covid Response Allies" highlighted the role our Forces were playing alongside the NHS and is something we were particularly proud to present. We also continued to keep spirits up, with creative entertainment ideas within programmes, virtual quizzes and celebrity Q & A's, a virtual disco from Cyprus to the world on many a Friday night and a whole host of local initiatives to offer community support to wellbeing and morale.

We continued to focus on families with our on-air and podcast series, Team Talk, a look at everyday life as a Forces family. Covering a range of topics and angles, Team Talk was originally commissioned as a one-off series, but such was the popularity, a second series was made with funding from the Armed Forces Covenant Fund and was targeted specifically towards the impact of Covid.

On Christmas Day, we were proud to be given the chance to takeover Europe's biggest pop radio station, BBC Radio 1, for four hours during peak daytime. We presented Forces stories from across the world, with the show coming live from our studios in Cyprus, Germany, Brunei, Gibraltar and Bahrain. A technical marvel without a glitch and a chance for BFBS presenters, on the biggest day of the year to show the nation and wider world what makes the UK Armed Forces so very special and most importantly, to connect them to home and loved ones.

Throughout the year we've also been recognised by the radio industry with many award nominations and wins from being rewarded for our work during Covid in the Coronavirus Radio Awards to receiving highly commended in the prestigious AIB Awards for VE Day 75, a unique look at a unique day. Judges called it "powerful, "brilliantly designed, creating an almost cinematic feeling". We also picked up a bronze in the Community Radio Awards for Sage Person of the Year, by our brilliant Liz Mullen from BFBS Colchester.

During a really tough time for the region in Nepal, our teams across the world on BFBS Gurkha Radio continued to deliver their vital services to the community. Maintaining resilience through difficult lockdown conditions is testament to the dedication of BFBS teams and they have been widely acknowledged for the continued flow of crucial information to Gurkha communities in the UK, Brunei, Nepal and elsewhere.

The expansion of the Brigade of Gurkhas under 'Project Sherpa' has been supported by new BFBS radio transmitters established in Warminster, Abingdon, Perham Down, Hullavington and (soon) Bulford. The importance of our services has been reinforced by the Colonel of the Brigade who has mandated that, alongside a temple and messing area, BFBS Radio is one of the 3 'pillars of support' required in any location in which Gurkhas are based.

BFBS TV achieved an important milestone with the launch of our upgraded multi-channel app. With programming broadcast in HD, available through connected TV's, mobiles and tablets and with catch up capability, this enhanced service has proved to be highly popular with our audiences.

"I am currently serving overseas and love your BFBS app..... I think the service you offer is fantastic". JS via e mail.

"Thank you for getting back to me, really appreciate it...great news about the (cricket) Tests..... Thank you again for the service you provide; not sure what we'd do without it to be honest". George G, via e mail.

BFBS

REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

(continued)

Our strong relationships with content rights holders developed further over the year, with Amazon Prime being an important example of this. In conjunction with the longstanding relationship between BFBS and the Premier League, this has allowed us safe, legal and secure access to all the matches shown exclusively by Amazon for the 20/21 and 21/22 seasons. Further support from Amazon came through access to their archive of excellent sporting documentaries. These provided a much appreciated source of content for our audiences, particularly during the period when Covid restrictions curtailed live sport.

BFBS TV also began a new partnership with global sports provider DAZN, bringing increased access to premium content, particularly live world title boxing. Although 'pay per view' for UK viewers, these events are made available at no cost to our serving Forces audiences overseas.

With the focus for UK Defence changing and developing, as detailed in the government's 'Integrated Review' paper, BFBS has taken the opportunity to strengthen our provision of services for the Royal Navy ('RN') in the Far East. Additional satellite capacity was sourced in this region in October 2020, which allowed us to increase the footprint for the RN and enhance the technical resilience of the service. The timing of this change allowed us to support the deployment of the Carrier Strike Group to the Far East in 2021. Prior to this our engineers visited all 7 of the ships in the group, including HMS Queen Elizabeth, to configure the onboard kit so as to ensure the comprehensive provision of BFBS TV services.

This year we have also been pleased to provide a new capability for the RN by broadcasting the Second Sea Lord's address 'Lockdown: What it Means to Us' on BFBS TV. This allowed all those at sea, worldwide, to access this meeting. Since then, further RN 'Town Meetings' have been broadcast and this has become an ongoing added-value feature of our services.

Our News team has covered a wide range of stories including those relating to mental health issues, the Integrated Review, the 30th anniversary of Op Granby (the first Gulf War), the new Carriers, RAF Chinook crash and training missions in Mali/Senegal. The single dominant thread in our content throughout the year has, however, been the outstanding role the Forces have played to support the nation through the coronavirus pandemic under 'Op Rescript'. Coverage of these stories on all our channels – TV, Radio & Online has been comprehensive and we have also been pleased to be able to support personnel deployed on Rescript and their families in a more direct way too through our various partnerships, including:

- free access in the UK to premium TV packages, including sport and family entertainment via Sky, Now and HayU
- free access to over 3000 newspapers and magazines online via PressReader
- free access to The Sun as well as the Times and Sunday Times.
- free deliveries of pizza and other food and drink goodies to troops assisting the NHS effort
- Additional educational content for home schooling overseas via the BBC

This support was also provided for those military families who were hurriedly repatriated back to the UK from overseas locations into temporary accommodation because of the Covid risk.

"I would like to extend hearty regards on behalf of all BGN families/children for the goody bags and toys you delivered to the doors of the families, despite the hot summer afternoon. Thank you for your hard work and your charitable heart." Capt. Binod Kerung

The challenges posed by Covid have called for innovative solutions and, in response, we have developed the capability to live stream events where attendees have not been permitted. These events have included the Commonwealth Air Forces Memorial Service from Runnymede, the Admiralty Carol Service and the Soldiering On Awards.

As we move into a new phase, with Covid restrictions gradually easing, it has been tremendous to be able to

BFBS

REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

(continued)

start to interact with our Forces community beneficiaries at 'in person events' once again. With the entire adult population vaccinated, Gibraltar has led the way and their Armed Forces Day event saw BFBS providing support and presentation, with 3,600 people attending. CBF Gibraltar, Commodore Steve Dainton commented:

"BFBS were fundamental in the accomplishment. In particular, the BFBS Gibraltar team have been superb in both the build up to the event and on the day itself. Outside of Armed Forces Day, BFBS Gibraltar provides a fantastic service to my workforce."

BFBS Academy

The BFBS Academy was launched in 2017 and since then 51 veterans and service leavers have successfully graduated from our unique one-year training course in Creative Media Production, culminating in an HNC qualification.

This year Covid restrictions have added particular challenges for our students and staff and it has been tremendous to see how effectively they have embraced the challenges of a, largely, remote learning model. Despite these constraints, 89% of graduates attained a Distinction or Merit grade – a very considerable achievement.

This initiative is entirely funded by charitable grants from a mix of different sources comprising the LIBOR Fund, ABF The Soldiers Charity, the Veterans Foundation and the Royal British Legion. On behalf of all our veteran and service leaver beneficiaries we would like to thank our charity partners for their support. The difference made for many of them has been quite life changing and 85% of our graduates have gone on to establish new careers in the media industry.

The challenges for military spouses that come from the regular moves that characterise armed forces life and the frequent time away from home of their partners are well documented. Our Social Media Spouses, #SMSpouses training courses, funded by the Armed Forces Covenant Trust, play an important role in helping to address these challenges. As put by Ayesha, a graduate from the course:

"My husband is currently serving in the RAF and his role means he does a lot of shift work and is away from home quite often. This has made juggling childcare, employment and our family time management stressful and quite often, overwhelming. It also impacted on our financial security, as I haven't been able to find a career that fits around our military family life."

"When I discovered #SMSpouses, I knew it was an opportunity I had to take..... My confidence in social media has skyrocketed, which also helped me land a part-time role as a community moderator. This gave me more financial independence and experience to further my career in social media. #SMSpouses has given me the confidence to get back into employment whilst navigating military life."

"I am finally living my life, and not just surviving."

Alongside the courses, Social Media Spouses networks have been set up on a dedicated online platform and on a private Facebook group, with over 1,500 members. These online communities have proved to be tremendously positive and productive with spouses supporting and advising each other and often offering work to one another on projects.

In addition to veterans and spouses, BFBS' expertise in bespoke media training for the wider Forces community continues to be highly valued with a range of courses provided for serving personnel, MoD civil servants, military charities and cadets.

BFBS

REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

(continued)

BFBS Creative - Video Production, Digital & Social Media Support

BFBS Creative has had a busy year during which we embedded our subject matter experts into the Army Communications team to assist with their digital upskilling programme. We were pleased to be able to support the Army in delivering some of its most successful campaigns including #TimeToTalk on mental health, featuring General Sir Patrick Sanders.

This approach of embedding our team has been mirrored elsewhere, with our staff providing their expertise to the Royal Navy onboard ships in Bahrain and in support of NATO exercises too.

Demand for our creation of bespoke Forces video content has continued to grow, despite the limitations of Covid restrictions. Videos we have produced during the year include those for Defence People, the RAF, UK Strategic Command, Defence Safeguarding, MoD Cyber Awareness Team and the Military Provost Guard.

In an exciting new initiative we took the opportunity to set up and run military e-sports tri-service competitions. In doing so, we provided the streaming, gaming laptops and promotion to make these events a success. This innovation was positively received and all the more welcome since, with Covid restrictions, the opportunities for traditional inter-services sport have inevitably been severely limited.

BFBS Cinemas

BFBS Cinemas closed their doors in March 2020, along with all others across the world. In parallel though it became clear that the requirement for our portable cinema technology, "Cinelink", remained for many military locations who saw the service as an important welfare provision during a challenging period. Although new film selections were limited, we were able to provide the very best classic films and premium on-demand releases, while picking up brand new cinema content in the breaks between lockdowns. Cinelink even managed to widen its audience reach adding more Royal Navy Ships and two players for Brunei in December 2020.

Cinemas in the Falkland Islands re-opened their doors in July 2020 but we saw only short reprieves from lockdown in our other locations. As these opportunities arose we sourced a mix of new and classic movies as an entertainment option for serving personnel and their families. In the meantime, the focus has been on training the new local cinema teams on the ground and in work to ensure staff and audiences are properly safeguarded during periods when it has been possible to open.

Live Entertainment

Inevitably, the global pandemic significantly curtailed the ability of our team to offer live events and so we shifted our thinking to the delivery of morale boosting entertainment in a Covid safe way. This new approach comprised a mix of activity – virtual comedy & magic shows, live zoom interviews with high profile sports personalities, online pantomime and children's shows plus a couple of real-life family events with live music and children's entertainment.

"It was a real privilege for the SJFHQ Group to be the recipients of BFBS Live Events' first virtual gig. After almost a year of working apart, it was great to be able to come together in this way and share this experience. You cannot underestimate the value of the contributions that these types of events make to the lives of Service personnel." Maj Gen Rupert Jones, Standing Joint Force Commander

"As always, your team were friendly, brilliant and hugely professional. Not only did you provide another great virtual event to support our troops but you provided the next generation of young officers with the knowledge to be able to bring the benefits of BFBS to their soldiers and families once commissioned. A job well done." Major N. Cargill, Royal Military Academy Sandhurst.

Even as Covid restrictions started to ease, live entertainment shows for operational troops deployed away from

BFBS

REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

(continued)

home have been almost impossible to deliver due to uncertainty on international travel. Instead, though, our team have come up with alternative ways to boost morale including the installation of big screens in Bahrain and Estonia so that troops stationed there could enjoy the Euro2020 football championship.

BFBS 'Big Salute' Campaign and the BFBS Welfare Fund

Although, unfortunately, lockdown constrained our usual fundraising activities we are pleased to report that via a combination of creativity from our staff and audiences and match funding support from our Trustees, we were still able to raise approx £30k for 'Big Salute'. These funds will be awarded to smaller military charities who bid for grants to complete specific projects.

Awards from the previous campaign were made during this year to support a range of projects including:

- An allotment for veterans in Hampshire
- Development of horsemanship skills at a riding centre in Scotland for serving personnel and veterans who've suffered life changing injuries
- TV's for homeless veterans
- Archaeological project for serving and former armed forces personnel
- Veterans project to renovate a motor cruiser and a Land Rover
- Provision of vital supplies and services to children of military families suffering financial hardship

We were also delighted to follow all these stories across BFBS Radio, TV & Online, to raise the profile of these charities and their work among our global Forces audiences.

Grants from the BFBS Welfare Fund also supported a wide range of projects including the enhancement of welfare facilities at RAF Akrotiri, JFC Naples & Aldershot Garrison, hoodies for military personnel deployed in Afghanistan, new TV's for HMS Montrose, cycling equipment for an event in Estonia, football kit in Brunei, karting in Cyprus and equipment for the Bulford Youth Hub.

In addition, the Trustees' grants in support of UK Armed Forces Sport continued based on the understanding that these would be spent as and when the easing of Covid restrictions allowed events to be held across 2020/21 and 2021/22.

FINANCIAL REVIEW

The incoming resources of the charity were relatively stable at £27,563,000 (2020: £28,289,000). Covid restrictions did, however, significantly curtail activities involving face-to-face engagement with our audiences such as outside broadcasts, cinemas and live entertainment. As a result resources expended decreased to £28,083,000 (2020: £30,002,000).

The operating deficit before other recognised gains and losses was £520,000 (2020: deficit of £1,713,000). Additional detailed financial information is shown on pages 21 to 42.

Plans for future periods

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

BFBS

**REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Key performance indicators

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

Key performance indicators ('KPIs') covering the delivery, performance and quality of the services provided under contracts to the MoD have been defined and are monitored and reviewed jointly with the MoD on a monthly basis. With the opinions of our viewers, listeners and customers of paramount importance to the charity, audience research surveys are the most significant of the KPIs. In that context, we are pleased to report that audience satisfaction ratings have been consistently over 90% throughout the year to 31 March 2021, far in excess of the minimum contractual level required of the charity by the MoD.

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

Investment policy and performance

Under the Memorandum and Articles of Association, the charity has the power to make any investment that the trustees see fit. The objective of the Investment Policy is, on a low risk basis commensurate with the charity's charitable status, to protect the capital value of the investment assets whilst generating an acceptable level of return from income and capital appreciation. BFBS will not invest directly in derivatives, or in unquoted securities, physical assets or property and will not engage in stock lending or underwriting.

The Investment Committee has considered the available options for investing surplus funds and has continued to engage the services of investment managers during the year. The majority of investments are in fully invested pooled funds. The Investment Committee regularly reviews the performance of the investment managers and meets with them when appropriate. The performance of the investment funds is monitored and measured against relevant benchmark indices.

The investment portfolio stood at £28,960,000 as at 31 March 2021, up £6,853,000 compared to £22,107,000 as at 31 March 2020. This increase reflected the marked recovery in equity markets as Covid restrictions started to ease. The increase in the value of investments over the year was 31.0%, compared to 23.3% for the FTSE All Share Index, helped by the overseas portion of the portfolio which performed particularly strongly.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Senior management monitors all operational, business and financial risks that the charity faces, and confirms that systems are in place to mitigate the significant risks. The principal risks and uncertainties are as detailed below.

MoD Broadcasting Contract

A substantial proportion of the charity's revenue comes from the MoD Broadcasting Contract, which ends on 31 March 2023. The securing of a new contract will be critical in enabling BFBS to continue to provide TV and Radio services globally to the Forces community and so to comprehensively fulfil its charitable aims.

BFBS

**REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

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

Covid-19

Covid-19 continues to present risks and material staff absences might impact upon our ability to provide our full range of contracted services. This risk has been mitigated by the Government vaccination programme and the actions taken by our senior managers to reduce the risks to staff. The occupancy level in our offices currently runs at 35% of pre pandemic levels to help facilitate social distancing. While the implementation of our business continuity plan was very successful in avoiding any impact on our contracted services, the lessons learned from our experience of Covid-19 have been used to enhance our planning in the event of a future pandemic.

Cyber Security Risk

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

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

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

Technology Investment

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

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

Inflation

Inflation is anticipated to increase through 2021/22 and potentially beyond that too due to the impact of Brexit and the Covid pandemic on the economy. This is likely to have an adverse impact on costs and could, ultimately, affect the ability of BFBS to deliver on its full range of charitable activities.

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

BFBS

**REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Reserves policy

At 31 March 2021, the charity held 'unrestricted funds – other charitable funds' totalling £36,174,000 (2020: £30,584,000). The charity's policy is to maintain reserves at a level sufficient to ensure that there is no major disruption to our services for beneficiaries in the event of unforeseen increases in expenditure or reductions in income, whilst at the same time allowing investment in new projects designed to ensure the long term financial sustainability of the charity. In the event of the loss of the MoD Broadcasting Contract, the maintenance of an adequate level of reserves will be particularly important in providing a continuing flow of investment income to fund charitable activities.

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

The Trustees therefore have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The charity uses various financial instruments including cash, equity investments, and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the charity's operations. The existence of these financial instruments exposes the charity to a number of financial risks, which are described in more detail below.

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

Market risk

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

Liquidity risk

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

A managed risk is the timing and advance funding of expenditure to provide charitable services, and the subsequent receipts from the MoD. Significant expenditures have to be funded initially from operational cash reserves before the receipts from the MoD are obtained.

Currency risk

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

Interest rate risk

The charity places cash on deposit on a medium-term basis of up to 12 months at fixed interest rates. Before placing deposits, the financial stability of the relevant banks is reviewed, to ensure that any risk to the funds is minimised.

BFBS

REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Credit risk

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity Status

The charity is a company limited by guarantee (company number 00407270) and is registered as a charity (charity number 00233480). Members of the organisation guarantee to contribute an amount not exceeding £1 each to the assets of the organisation in the event of a winding up. The total number of such guarantees at 31 March 2021 was 11 (2020: 12).

Our Aims and Objectives

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

Ensuring our work delivers our aims

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

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

Organisation

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

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

A Chief Executive is appointed by the Board to manage the day-to-day operations of the Charity. The other members of the Executive Team (see page 44) assist the Chief Executive.

BFBS

REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Directors

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

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

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

The membership of the Board is set out below:

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

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

Captain Graham Robinson RN - chairman of the investment committee and member of the welfare fund committee

Tony Hales - member of the audit, investment, nomination and remuneration committees

Deborah Loudon - member of the nomination and remuneration committees

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

Helen Depree - member of the audit committee

Air Cdre Ian Tolfts - member of the welfare fund committee

Darren Long

Vanella Jackson

David Moody

Mark Browning – resigned 22 June 2021

Trustee training and induction

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

Grants

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

The charity continues to actively promote its welfare fund to the Forces by regular communication to the Directorates of Corporate Communications (DCCs) for each service, direct communication with the Forces via the charity's website and promotional features on BFBS radio and the main BFBS television channel.

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

BFBS

**REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

the objectives of the charity. During the financial year, 34 applications for grants were received, all of which were either partially or fully awarded. The average value of grants made during the year was £7,905. Grants made during the year totalled £269,000 (2020: £440,000).

Principal funding sources

The principal source of funding is the MoD for the services delivered under contract to them. Charitable grants from other organisations are the main source of funding for other activities.

Employee involvement

The charity has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the charity. This is achieved through briefings by the Chief Executive and his senior staff, staff association meetings and all-staff town meetings.

Disabled workers

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

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

BFBS

**REPORT OF THE BOARD OF TRUSTEES (INCLUDING THE STRATEGIC REPORT AND DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

The trustees confirm that:

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

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

Qualifying third party indemnity provision

The company has maintained directors' liability insurance in respect of its directors.

Auditor

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

On behalf of the Board:

Chris Wilson

Major General Christopher Wilson

Chair of Trustees

Date: 8/12/2021

Charity no: 00233480

Company no: 00407270

BFBS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS

Opinion

We have audited the financial statements of BFBS (the 'charitable company') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources including, its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements section' of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the Trustees' conclusions, we considered the inherent risks associated with the charitable company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Trustees and the related disclosures and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

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

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

BFBS

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

The responsibilities of the trustees with respect to going concern are described in the 'Responsibilities of Trustees for the financial statements' section of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report, prepared for the purposes of company law, included in the Report of the Board of Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Report of the Board of Trustees have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

BFBS

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

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 14 to 15, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant which are directly relevant to the financial statements are those related to the reporting frameworks (Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006).

In addition, we concluded that there are certain significant laws and regulations, such as the Charities SORP (FRS 102), Charities Act 2011, Data Protection Act 2018, Charity Code of Governance and The Ofcom Broadcasting Code.

We obtained an understanding of how the company complies with those legal and regulatory frameworks by making enquiries of management, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes and correspondence received from regulatory bodies.

BFBS

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

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the entity's operations, including the nature of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
- the applicable statutory provisions;
- the entity's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations of the regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the entity's compliance with regulatory requirements, and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by making enquires of management and those charged with governance. We utilised internal and external information to corroborate these enquiries and to perform a high-level fraud risk assessment. We considered the risk of fraud to be higher through the potential for management override of controls.

Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
- journal entry testing, with a focus on material manual journals, those posted at the end of the reporting period and those posted directly to cash, revenue or control accounts;
- challenging assumptions and judgements made by management in its significant accounting estimates;
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.

We assessed the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

- understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
- knowledge of the industry in which the client operates;
- understanding of the legal and regulatory requirements specific to the entity including:
 - the provisions of the applicable legislation;
 - the regulators' rules and related guidance, including guidance issued by relevant authorities that interprets those rules;
 - the applicable statutory provisions.
 - The Company's management have not communicated to the audit team any matters of non-compliance with laws and regulations or fraud and no such matters were identified by the audit team.

BFBS

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

Use of our report

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



Michael Redfern FCA

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Sheffield

Date: 10/12/2021

BFBS

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Total unrestricted funds 2021 £000	Total unrestricted funds 2020 £000
Incoming resources			
Voluntary income	3	376	503
Incoming resources from charitable activities	3	26,303	26,816
Investment income	7	884	970
Total incoming resources		27,563	28,289
Resources expended			
Investment management costs		147	147
Costs in respect of charitable activities	4	27,733	29,654
Governance costs	4	203	201
Total resources expended		28,083	30,002
Operating deficit before fair value movements		(520)	(1,713)
Net gains/(losses) on investments		6,842	(4,581)
Fair value movements on foreign currency forward contracts		(732)	437
Surplus/(deficit) before other recognised gains and losses		5,590	(5,857)
Other recognised gains/(losses):			
Actuarial gain/(loss) in defined benefit pension scheme	16	-	360
Net movement in funds		5,590	(5,497)
Reconciliation of funds:			
Total funds brought forward		30,584	36,081
Total funds carried forward		36,174	30,584

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

All funds are unrestricted.

The notes on pages 24 to 42 form part of these financial statements.

BFBS

**BALANCE SHEET
AS AT 31 MARCH 2021**

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	9	5,519	6,476
Investments	10	28,960	22,107
		34,479	28,583
Current assets			
Debtors	11	4,268	5,724
Investments – bank deposits		617	617
Cash at bank and in hand	12	1,439	504
		6,324	6,845
Creditors: amounts falling due within one year	13	(4,629)	(4,844)
Net current assets		1,695	2,001
Total assets less current liabilities		36,174	30,584
Net assets excluding pension asset / (liability)		36,174	30,584
Total net assets		36,174	30,584
Funds of the charity			
Restricted funds		-	-
Unrestricted funds	15	36,174	30,584
Total funds		36,174	30,584

The financial statements were approved by the Board on: 8/12/2021

Major General Christopher Wilson
Chair of Trustees

Chris Wilson

Charity no: 00233480
Company no: 00407270

The notes on pages 24 to 42 form part of these financial statements.

BFBS

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021	<i>2020</i>
	£000	<i>£000</i>
Cash flows from operating activities		
Operating (loss)/surplus	(520)	<i>(1,713)</i>
Adjustments for:		
Depreciation of tangible assets	1,574	<i>1,821</i>
Loss on disposal of tangible assets	139	<i>35</i>
Profit on disposal of investments	(5)	<i>(15)</i>
Interest income	-	<i>(20)</i>
Dividends received	(884)	<i>(950)</i>
Decrease/(increase) in debtors	725	<i>(1,020)</i>
Decrease in creditors	(228)	<i>(209)</i>
Movement related to defined benefit pension scheme	-	<i>7</i>
Net cash used in operating activities	1,321	<i>(351)</i>
Cash flows from investing activities		
Purchase of tangible fixed assets	(786)	<i>(1,764)</i>
Sale of tangible fixed assets	30	<i>480</i>
Purchase of investments	(392)	<i>(1,997)</i>
Sale of investments	385	<i>1,063</i>
Sale/ (purchase) of deposits	-	<i>3,283</i>
Interest income	-	<i>20</i>
Dividends received	884	<i>950</i>
Net cash provided by investing activities	121	<i>2,035</i>
Change in cash and cash equivalents in the year	922	<i>(29)</i>
Cash and cash equivalents at the beginning of the year	504	<i>533</i>
Cash and cash equivalents at the end of the year	1,426	<i>504</i>

The notes on pages 24 to 42 form part of these financial statements

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. General information

BFBS is a Charitable Company limited by guarantee & incorporated in England and Wales. Its registered head office is located at Chalfont Grove, Narcot Lane, Gerrards Cross, Buckinghamshire, SL9 8TN.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The charity has not prepared consolidated accounts on the grounds that its subsidiary undertaking is immaterial to the charity and group's overall results. Please see further details of this subsidiary in note 17.

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

2.2 Going concern

After reviewing the charity's forecasts and their accompanying risks the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and as a result they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

2.3 Functional and presentational currency

The functional and presentational currency of the charity is Pound Sterling (£). This is the currency of the primary economic environment in which the charity operates.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)**2.4 Significant judgements and estimates**

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

Revenue recognition

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

Useful economic lives of operational fixed assets

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

Accounting for defined benefit pension scheme

Judgements and estimates are made, using actuarial guidance, regarding key assumptions in the valuing of scheme assets and liabilities, and in recognising a scheme asset at entity level.

Valuation of foreign currency forward contracts

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

2.5 Incoming resources and revenue recognition**Income recognition**

Income is recognised as the applicable services are provided and costs are recognised as incurred. Deferred income represents income received for which the applicable service has not yet been provided.

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

2.6 Investment income

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

2.7 Voluntary income

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

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.8 Resources expended

Liabilities are recognised as resources expended as soon as the charity has a legal or constructive obligation committing the charity to the expenditure. Resources expended are included in the Statement of Financial Activities ("SOFA") on the accruals basis, inclusive of any VAT which cannot be recovered. Resources expended under charitable activities include all costs incurred by the charity in the delivery of goods and services directed at the achievement of its charitable objectives. These are disclosed in further detail in note 4 to the financial statements.

2.9 Grants made

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

2.10 Investment management costs

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

2.11 Governance costs

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

2.12 Tangible fixed assets and depreciation

Individual fixed assets costing greater than £5000 are capitalised at cost.

Depreciation is calculated to write down the cost of all tangible fixed assets by equal instalments over their useful lives. The periods generally applicable are:

Leasehold premises	- Length of lease
Equipment	- Between 3 and 10 years

Assets in the course of construction are not depreciated.

Equipment costs which are not financed by current year income from the MoD are capitalised at cost. Depreciation on assets is applied from the date the asset becomes available for use.

2.13 Investments

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

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

2.14 Debtors

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

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)**2.15 Cash and liquid assets**

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

2.16 Financial instruments

The charity recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The charity's accounting policies in respect of financial instruments transactions are explained below:

Financial assets**Loans and receivables**

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

Fair value through profit and loss

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

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

Financial liabilities

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

2.17 Investments in subsidiaries

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

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)**2.18 Liabilities**

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

2.19 Foreign currencies

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

2.20 Operating lease commitments

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

2.21 Defined benefit pension benefits

The charity had a defined benefit pension scheme which is accounted for in accordance with FRS 102. The charity measures the net defined benefit liability for its obligations under defined benefit plans at the net total of the following amounts:

- the present value of its obligation under defined benefit plans (its defined benefit obligation) at the reporting date; minus
- the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled.

The charity measures its defined benefit obligation on a discounted present value basis. The charity determines the rate used to discount the future payments by reference to market yields at the reporting date on high quality corporate bonds.

The charity uses the projected unit credit method to measure its defined benefit obligation and the related expense.

The charity only recognises a plan surplus as a defined benefit plan asset to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

The charity recognises the cost of a defined benefit plan as follows:

- the change in the net defined benefit liability arising from employee service rendered during the period in the statement of financial activity;
- net interest on the net defined benefit liability during the reporting period in the SOFA;
- plan introductions, benefit changes, curtailments and settlements in the SOFA; and
- remeasurement of the net defined benefit liability in other comprehensive income.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

The net interest on the net defined benefit liability is determined by multiplying the net defined benefit liability by the discount rate, both as at the start of the annual reporting period, taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

Interest income on plan assets, excluding the effect of any surplus that is not recoverable, is a component of the return on plan assets, and is determined by multiplying the fair value of the plan assets by the discount rate both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The difference between the interest income on plan assets and the return on plan assets is included in the remeasurement of the defined benefit liability.

Remeasurement of the net defined benefit liability comprises:

- actuarial gains and losses; and
- the return on plan assets, excluding amounts included in net interest on the defined benefit liability.

2.22 Defined contribution pension scheme

The charity recognises the contribution payable for a period;

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

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

2.23 Taxation

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

2.24 Forward currency contracts

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

These are recognised at fair value using a valuation technique with any gains or losses being reported in the SOFA. Outstanding foreign currency forward contracts at the reporting date are included within debtors or creditors on the balance sheet depending on the year-end position.

2.25 Financial liabilities and equity instruments

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

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

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

3. Incoming resources**Incoming resources from charitable activities**

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

	2021	2020
	£000	£000
Incoming resources from charitable activities	26,303	26,816

The majority of the income resulted from activities delivered overseas.

During the period, the charity had contracts with the MoD for the provision of television, radio, training and film distribution services. These activities accounted for approximately 92% (2020: 89%) of the total income for the year. Services and supplies provided to the Forces on operations or stationed in the UK or overseas, but not under contract to the MoD, include the operation and management of 12 Forces cinemas (2020: 12) located in Germany, Cyprus, The Falkland Islands and the United Kingdom.

Voluntary Income

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

4. Resources expended

	Grants	Direct costs	Support costs	Total funds
	2021	2021	2021	2021
	£000	£000	£000	£000
Costs paid to external parties in respect of charitable activities	-	22,804	4,660	27,464
External grants made in respect of specific requests	269	-	-	269
	269	22,804	4,660	27,733

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

Support costs were incurred as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
Staff costs	2,252	<i>1,960</i>
Depreciation	250	<i>309</i>
Other support costs	2,158	<i>2,802</i>
	4,660	<i>5,071</i>

Resources expended in Governance costs

Governance costs total £203,359 (2020: £200,588) and include £165,375 (2020: £162,133) in respect of a proportion of senior management remuneration.

Net incoming resources

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

	2021	<i>2020</i>
	£000	<i>£000</i>
Auditor's remuneration		
- Fees payable for the audit of the charity's annual accounts	37	<i>38</i>
- Fees payable for taxation compliance services	5	<i>6</i>
Depreciation of owned fixed assets (excluding buildings)	1,395	<i>1,670</i>
Depreciation of buildings	178	<i>285</i>
Hire of plant and machinery	20	<i>41</i>
Other operating leases	500	<i>438</i>
Foreign exchange gain	(260)	<i>(255)</i>
Loss on disposal of tangible fixed assets	139	<i>35</i>
Profit on disposal of investments	(5)	<i>(15)</i>
Trustee and employee costs	12,553	<i>11,725</i>

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Trustees and employees

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

	2021	<i>2020</i>
	£000	<i>£000</i>
Wages and salaries	10,828	<i>10,126</i>
Social security costs	1,029	<i>957</i>
Defined contribution pension costs	696	<i>642</i>
	12,553	<i>11,725</i>

The average number of employees of the charity during the year was 246 (2020: 235).

	2021	<i>2020</i>
	No.	<i>No.</i>
Activities in furtherance of the charity's objects	238	<i>227</i>
Management and administration	8	<i>8</i>
	246	<i>235</i>

The remuneration of the Chief Executive and the Executive Management is set by the Remuneration Committee of the Board of Trustees, which consists solely of non-executive Trustees.

No Trustees or persons with a family or business connection with a Trustee, received remuneration or benefits in the year, directly or indirectly, from the charity. An amount of £599 for expenses (2020: £4,821) was reimbursed to 1 Trustee (2020: 5).

The nature of the expenses was travel and subsistence.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Trustees and employees (continued)

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

	2021 No.	<i>2020 No.</i>
In the band £60,001 - £70,000	10	<i>13</i>
In the band £70,001 - £80,000	6	<i>2</i>
In the band £80,001 - £90,000	2	<i>1</i>
In the band £90,001 - £100,000	3	<i>3</i>
In the band £100,001 - £110,000	-	<i>2</i>
In the band £110,001 - £120,000	2	<i>-</i>
In the band £120,001 - £130,000	3	<i>3</i>
In the band £140,001 - £150,000	1	<i>1</i>
	=====	<i>=====</i>

Contributions totalling £151,211 (*2020: £129,609*) were paid in respect of 27 (*2020: 25*) higher paid employees in the year relating to the defined contribution scheme.

The Trustees consider key management personnel to comprise the members of the Senior Management Team. The total employment benefits, including employer pension contributions of the Senior Management Team were £1,079,552 (*2020: £1,039,821*).

6. Grant payments

	2021 £000	<i>2020 £000</i>
Royal Navy	13	<i>6</i>
Combined Services Sports	130	<i>90</i>
Big Salute	34	<i>51</i>
Live entertainment	14	<i>226</i>
Other grants made to the Forces	78	<i>67</i>
	=====	<i>=====</i>
	269	<i>440</i>

7. Investment income

	2021 £000	<i>2020 £000</i>
Interest receivable on short term deposits	-	<i>20</i>
Dividends and interest receivable from fixed asset investments	884	<i>950</i>
	=====	<i>=====</i>
	884	<i>970</i>

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Interest payable

	2021 £000	<i>2020 £000</i>
Interest on pension scheme liabilities	-	1,734

9. Tangible fixed assets

	Leasehold long-term £000	Leasehold short-term £000	Equipment £000	Assets under the course of construction £000	Total £000
Cost or valuation					
At 1 April 2020	1,914	6	15,177	502	17,599
Additions	-	-	90	696	786
Transfers	-	-	697	(697)	-
Disposals	-	-	(673)	(155)	(828)
At 31 March 2021	<u>1,914</u>	<u>6</u>	<u>15,291</u>	<u>346</u>	<u>17,557</u>
Depreciation					
At 1 April 2020	399	6	10,718	-	11,123
Provided in the year	178	-	1,396	-	1,574
Disposals	-	-	(659)	-	(659)
At 31 March 2021	<u>577</u>	<u>6</u>	<u>11,455</u>	<u>-</u>	<u>12,038</u>
Net book value					
At 31 March 2021	<u>1,337</u>	<u>-</u>	<u>3,836</u>	<u>346</u>	<u>5,519</u>
<i>At 31 March 2020</i>	<u>1,515</u>	<u>-</u>	<u>4,459</u>	<u>502</u>	<u>6,476</u>

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Investments

	Investments £000
Cost or valuation	
At 1 April 2020	22,107
Additions	392
Disposals	(385)
(Decrease)/ Increase in market value	6,847
	<hr/>
At 31 March 2021	28,960
	<hr/>
Net book value	
At 31 March 2021	28,960
	<hr/>
<i>At 31 March 2020</i>	<i>22,107</i>
	<hr/>

Investments are analysed further as:

	2021 £000	<i>2020 £000</i>
UK equities (listed)	17,337	<i>13,788</i>
Overseas equities (listed)	11,523	<i>8,025</i>
Fixed interest and cash	100	<i>294</i>
	<hr/>	<hr/>
	28,960	<i>22,107</i>
	<hr/>	<hr/>

Listed investments are valued at their bid price as at the balance sheet date.

If the investments had not been revalued, they would have been included on the historical cost basis at £16,034 (2020: £16,034).

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

11. Debtors

	2021	2020
	£000	£000
Due within one year		
Trade debtors	681	3,455
Amounts owed by subsidiary	438	481
Other debtors	1	2
Prepayments and accrued income	3,094	1,002
Fair value of foreign currency forward contracts	53	784
	4,268	5,724

12. Cash and cash equivalents

	2021	2020
	£000	£000
Cash at bank and in hand	1,439	504
Less: bank overdrafts	(13)	-
	1,426	504

13. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Bank overdrafts	13	-
Trade creditors	1,091	1,313
Social security and other taxes	1,397	926
Other creditors	192	150
Accruals and deferred income	1,936	2,359
Contribution owed to defined contribution pension scheme	-	96
	4,629	4,844

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

	2021	2020
	£000	£000
Deferred income at start of the year	1,331	1,263
Amounts recognised in the current year	(1,470)	(1,227)
Amounts deferred in the current year	758	1,295
Deferred income at end of year	619	1,331

14. Financial instruments

	2021	2020
	£000	£000
Financial assets		
Financial assets measured at fair value through profit or loss	31,069	24,012
Financial assets that are debt instruments measured at amortised cost	1,120	3,937
	32,189	27,949
	2021	2020
	£000	£000
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	-	-
Financial liabilities measured at amortised cost	(3,219)	(2,490)
	(3,219)	(2,490)

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

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

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

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. Unrestricted funds

	Income and Expenditure £000
At 1 April 2019	36,081
Deficit for year	(1,713)
Fair value movements on foreign currency forward contracts	437
Loss on investments	(4,581)
Actuarial loss relating to pension schemes	360
At 31 March 2020	30,584
Deficit for year	(520)
Fair value movements on foreign currency forward contracts	(732)
Gain on investments	6,842
Actuarial loss relating to pension schemes	-
At 31 March 2021	36,174

16. Pensions and other post-retirement benefits

The Charity previously had a Defined Benefit Pension Scheme ('the Scheme') in the United Kingdom for the benefit of its employees. The Scheme divided into two parts; a main scheme and a separate section representing the BFBS ex-civil servants who joined the Charity from the Ministry of Defence in 1983.

Buy-out policies were put in place during the year ended 31 March 2019 for the ex-MOD BFBS Section with Legal & General and on 18 May 2020 for the main scheme with Aviva. Each member has received an individual policy from either Legal & General or Aviva, as appropriate, discharging the Trustees of the Scheme from all further liability for these members' benefits.

Final Scheme accounts were prepared to 30 June 2020. These, together with a Deed of Termination, were signed on 21 July 2020 so that the Scheme was formally wound up from that date.

The treatment of pension costs in these financial statements is in accordance with the provisions of FRS102 and is assessed in accordance with the advice from an independent qualified actuary.

The current service pension cost to the Charity was £Nil (2020: £Nil).

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Pensions and other post-retirement benefits (continued)

The main assumptions used by the actuary for the purpose of the FRS 102 valuation are detailed below:

	At date of transfer	<i>At 31 March 2020</i>
	%	%
Rate of increase in salaries	n/a	n/a
Rate of increase for pension in payment:		
BFBS members		
RPI maximum 3%	2.40	2.35
RPI maximum 5%	2.90	2.85
RPI maximum 2.5%	2.10	2.10
CPI no maximum	n/a	n/a
Discount rate	1.70	2.30
Inflation – RPI assumption	2.95	2.90
Inflation – CPI assumption	1.15	2.10

The underlying mortality assumption is based upon the standard table known as the S2P_L on a year of birth usage with CMI_2017 future improvement factors and a long-term rate of future improvement of 1.25% p.a. (2020: 1.25%).

The last completed actuarial valuation was carried out for the Trustees of the Pension Fund as at 31 March 2014, with further funding updates as at 31 March 2015 and 31 March 2016. For the disclosure requirements of FRS 102 Section 28 'Employee Benefits' as at 31 March 2020, the actuary updated these calculations to 31 March 2020 using membership data provided by Aviva (with whom the Pension Fund is now insured) in February 2020, together with cash flow details provided by Aviva and by the Pension Fund administrators.

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

	At 31 March 2021 £000	<i>At 31 March 2020 £000</i>
Bonds	-	70,360
Total market value of assets	-	70,360
Actuarial value of scheme liabilities	-	(70,360)
Net pension (liability)/asset before de-recognition	-	26
De-recognition of pension asset	-	(26)
Net pension (liability)/asset after de-recognition	-	-

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

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Pensions and other post-retirement benefits (continued)

The amounts to be recognised in the SOFA for the year ended 31 March 2021 are as follows:

	2021	2020
	£000	£000
Administrative expenses	-	105
Interest on pension scheme liabilities	-	1,734
Expected return on scheme assets	-	(1,727)
Net pension (liability)/asset after de-recognition	-	112

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

	2021	2020
	£000	£000
Actual return less expected return on pension scheme assets	-	(1,834)
Expected less actual from expenses	-	(25)
Experience gains and losses arising on pension scheme liabilities	-	393
Change in assumptions underlying the present value of scheme liabilities	-	1,852
Change in non-recoverable surplus	-	(26)
Net actuarial gain/ (loss) recognised	-	360

Changes in the present value of the defined benefit obligations for the year ended 31 March 2021 are as follows:

	2021	2020
	£000	£000
Present value of scheme obligations at beginning of year	70,334	73,666
Interest cost	212	1,734
Benefits paid	(183)	(2,821)
Actuarial (gains)/losses	8,524	(2,245)
Settlement	(78,887)	-
Present value of scheme obligations at end of year	-	70,334

Changes in the fair value of the scheme assets for the year ended 31 March 2021 are as follows:

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021	<i>2020</i>
	£000	£000
Market value of scheme assets at beginning of year	70,360	73,313
Interest on plan assets excluding non-irrecoverable surplus	212	1,727
Return on assets, less interest included in SOFA	8,524	(1,834)
Benefits paid	(183)	(2,821)
Contributions paid by the charity	-	105
Admin expenses	(26)	(130)
Settlement	(78,887)	-
Market value of scheme assets at end of year	-	70,360

17. Subsidiary undertaking

	2021	<i>2020</i>
	£000	£000
Ordinary £1 shares	2	2

The subsidiary of the corporation, BFBS Media Limited, an entity incorporated in England and Wales, is wholly owned by the charity. The company traded as a provider of broadcast services during the year ended 31 March 2021. Its result for the year, was a net result of £Nil (*2020: £Nil*). Capital and reserves at 31 March 2021 were £Nil (*2020: £2*). See note 21 for details of related party transactions.

18. Contingent liabilities

There are no contingent liabilities as of 31 March 2021 and 2020.

19. Leasing commitments

At 31 March 2021 the Charity had future minimum lease payments under non-cancellable operating leases as follows:

	2021	<i>2020</i>
	£000	£000
Land and Buildings		
Amounts due:		
- within one year	388	382
- between one and five years	1,478	1,522
- greater than five years	1,099	1,827
	2,965	3,731

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021	2020
	£000	£000
Other		
Amounts due:		
- within one year	72	53
- between one and five years	60	130
- greater than five years	-	-
	132	183

20. Capital commitments

At 31 March 2021 the charity had capital commitments of £Nil in relation to assets in the course of construction (2020: £Nil).

21. Related party transactions

At 31 March 2021, a net amount of £438,374 (2020: £480,999) was due from BFBS Media Limited. A gift aid donation of £375,607 was made from BFBS Media Limited to the charity (2020: £502,624).

Costs of £99,565 were recharged to BFBS Media Limited during the year (2020: £61,188).

Transactions in respect of Trustees' expenses are disclosed in note 5.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

TRUSTEES AND EXECUTIVE MANAGEMENT

**BFBS
BOARD OF TRUSTEES**

CHAIRMAN

Major General Chris Wilson CB CBE

VICE CHAIRMAN

Howard Perlin FCA

TRUSTEES

Captain Graham Robinson RN

Tony Hales CBE

Deborah Loudon

Rear Admiral Anthony Rix RN CB

Helen Depree

Air Cdre Ian Tolfts

Darren Long

Vanella Jackson

David Moody

Mark Browning (resigned 22 June 2021)

SECRETARY

David Hamilton FCA

LIFE VICE-PRESIDENTS

General Sir Geoffrey Howlett KBE MC

Lieutenant General Sir Roderick Cordy-Simpson KBE CB

Michael Andrae Hon. FCIM

Air Vice-Marshal Andrew Vallance CB OBE

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

TRUSTEES AND EXECUTIVE MANAGEMENT

EXECUTIVE MANAGEMENT

CHIEF EXECUTIVE
Simon Bucks

DIRECTOR OF FINANCE
David Hamilton FCA

DIRECTOR OF FORCES BROADCASTING & ENTERTAINMENT
Nicky Ness

DIRECTOR OF DIGITAL CONTENT & TRAINING
Adam Waters

DIRECTOR OF EDITORIAL CONTENT
Lisa Mitchell

DIRECTOR OF COMMUNICATIONS
Helen Rognaldsen

DIRECTOR OF TECHNOLOGY
Ryan Lambert

DIRECTOR OF DEVELOPMENT & STRATEGY
Nick Beer

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