

Registered number: 00407270
Charity number: 233480

BFBS
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

BFBS

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BFBS

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The Board of Trustees of BFBS has pleasure in presenting its report, which incorporates the strategic report, on the activities and results for the year ended 31 March 2022.

Her Late Majesty Queen Elizabeth

The Trustees and staff of BFBS were deeply saddened by the death of Her Late Majesty Queen Elizabeth. She was an inspirational figurehead for the entire nation and will be greatly missed.

As their Commander-in-Chief and, having herself served during the Second World War, Her Late Majesty was held in the highest esteem by all in the Armed Forces world.

Our aims and how our activities deliver public benefit

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

Our activities deliver benefit through:

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

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

Achievements and performance

BFBS services have played a vital part in supporting the wellbeing of Forces communities globally during a second year of Covid restrictions. Live and local content, the latest information and advice and BFBS' role in enabling Commanders to directly reach their communities have all been highly valued.

"Thank you BFBS for twelve months of excellent community support... You are a key part of our 'One Team'. As we find ourselves today in a (third) national lockdown, BFBS remains an absolutely vital communication tool to ensure our whole community, military and civilian, young and old, British and Cypriot, hear what they need to know to help them through this pandemic. For many, BFBS has been a real lifeline, providing comfort, entertainment and essential information in equal measure. You have a great team...full of emotional intelligence and inherently flexible...fun to work with, generating ideas and absolutely prepared to challenge us when needed. Many thanks from a grateful community." Maj Gen RJ Thomson, Commander of British Forces, Cyprus.

As one global crisis eased towards the end of our reporting year, another started with Russia's invasion of Ukraine, which saw our BFBS teams move to an operational footing. With a significant increase in the number of UK Forces personnel deployed to Eastern Europe, the requirement to support them in the provision of BFBS services was an urgent one. Our technical team displayed considerable agility and ingenuity in their prompt response and in a series of visits to the region have successfully rolled out BFBS TV, Radio, Cinema & online newspaper services.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Alongside this effort, we have assisted the MoD in providing them with digital media and graphics expertise as part of their communications effort on the conflict. In addition, importantly, we are also pleased to have been able to support the rear party of families left behind. Live entertainment, goodie bags and visits from the BFBS Ice Cream van have all played a part in maintaining morale while serving personnel parents are on deployment.

Finally, we are delighted to report that the value BFBS provides to the UK Forces community has recently been recognised in the most tangible of forms by the MoD who have agreed to extend our contract by 3 years to 31 March 2026. The certainty provided by this decision leaves the charity well placed to further develop and strengthen our full range of services in support of our Forces beneficiaries.

Broadcasting

The focus of our audio output over the last 12 months has been fun, music and entertainment - uplifting and adding to morale - as well as reflecting current events. There were special programmes for the Euro Championships as we broadcast live from Scotland and Germany for each big football game involving a home nation. BFBStival, the on air music festival we ran in 2020 during the Covid pandemic, was staged in 2021 too, featuring exclusive interviews and DJ sets from Joel Corry, Noel Gallagher and Jack Savoretti. At Christmas, we handed over the airwaves to Travis, Tom Walker, Frank Turner and JLS, amongst others, and included special messages of support for the Forces community.

At the beginning of 2022, we asked our audience what kind of new, automated, radio station they would like and they voted overwhelmingly for 'BFBS Best of British' which plays only British artists 24/7. We tied in the launch of the new station with a refresh of our radio app, which brought new functionality to improve the user experience, including the ability to see up to date schedules, catch up on programmes and listen to our latest podcasts.

Our podcast team have worked on a series of projects, with highlights including our unique look at the impact of music within the military community – War & Peace and Rock & Roll. Elsewhere, topics reflected in our podcast output included Black History Month and our series for lovers of military aviation, MavGeeks, where we even managed to talk to Father Christmas for a one off special. We also released a series both on air and in podcast form, Op Granby – The Storm In The Desert, to recognise the 30th anniversary of the start of the 1991 Gulf War.

Our people and their work continue to be recognised by the audio industry with award wins and nominations. In the Community Radio Awards we scooped 5 on the night, the most of any entrants, which included Best Male Presenter and an award for our response to Covid.

Innovation and a closely collaborative working relationship with our radio industry colleagues is important in ensuring that opportunities from new technology and platforms are leveraged to benefit BFBS audiences. By way of an example, we have taken the opportunity to expand into Small Scale DAB (SSDAB) as part of a joint venture to carry local services across Salisbury City and the Plain. The new multiplex was launched at the end of March 2021, only the second to be formalised within the UK, and we are proud to be part of a pioneering group looking at new ways of making a broad variety of content accessible to the most diverse audiences possible.

Our national BFBS Radio service saw excellent engagement with audience figures of just over 1 million monthly listeners in the UK. The role of the station is to reach the widest set of listeners to both entertain, connect and inform the military community and also champion the work they do to the wider general public.

We continued to support the expansion of the Brigade of Gurkhas within the British Army and provided a transmitter to carry BFBS Gurkha Radio in Bulford. We were also able to add this station to the SSDAB multiplex in Salisbury as an additional way of engaging with the significant Nepali community based on the Plain. Following several years of trying to solve a problem for coverage for Gurkha families in Dover, we were accepted on to an Ofcom trial and now bring services to them via Low Power FM at long last.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

BFBS TV for the overseas Forces community continues to be hugely valued as a service which provides entertainment, information and, crucially, a 'link with home'. Over the last year we have significantly broadened our range of live and on-demand programming with this expanded choice including up to a month's worth of UK prime time content.

"Thank you for enabling me to watch UK TV whilst I'm abroad with my husband on his overseas posting. It keeps me in touch with home and I really appreciate it". PG, Canada.

Premium sport content remains extremely popular with BFBS TV audiences. We work closely with DAZN and Matchroom, to bring boxing title fights, alongside renewed, unique, relationships with Formula 1, the Premier League, Sky Sports, BT Sport, UFC, Cage Warriors and Amazon Prime Video. Technical innovation has also played an important role in strengthening our sports offering by establishing additional 'pop-up' streaming channels. On one particular occasion this allowed us to show six live Premier League games simultaneously.

"...Many thanks for your great service... a valuable way of getting access to sporting events and programmes from home which give a bit of normality to some very appreciative sailors". JV, HMS Prince of Wales.

The flexibility to adapt our TV service to meet specific requirements has been particularly in evidence over the last year, bringing additional value. Following on from a request from the Royal Navy, BFBS TV was used to broadcast the Second Sea Lord's Town Hall briefing to all personnel globally, including those at sea. Similarly, when the Commander of British Forces asked the team to consider bespoke programming around the anniversary of The Falklands conflict, we were delighted to do so. The resulting programmes included live broadcasts of two moving memorials from the Falkland Islands, 40 years after the war. These were also streamed live back in the UK, allowing the many veterans who were unable to travel to be part of the commemoration.

The sad loss of HRH The Duke of Edinburgh had a particular resonance for the military community with which he was so closely associated. Our special one-hour programme, The Real Prince Philip: A Royal Officer, was originally intended for schedules to mark his 100th birthday but instead now formed the centre piece of BFBS TV's obituary coverage. The programme also reached a wide national UK audience, having been acquired by Channel 4, who screened it on 11th April 2021.

The BFBS Forces News team have completed their transition to a digital model. This approach focuses on video storytelling in short, compelling, packages available through a wide range of digital platforms. The new model represents a stronger proposition, particularly for serving Forces audiences, and we are pleased to see this validated by the increasing reach of our content with, for example, our YouTube channel exceeding 600,000 subscribers.

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

From the content perspective, towards the end of the reporting year the major story was, of course, the invasion of Ukraine, while in 2021, it was Operation Pitting (the withdrawal from Afghanistan). While BFBS' coverage of Op Pitting was prominent, our practical help went much further than that with the installation of TV's, free Sky packages, tea and biscuits to support members of the Forces returning from Afghanistan and into decompression and quarantine. For many serving personnel and, often even more so, veterans, the withdrawal after 20 years and the loss of 454 British lives was a traumatic event. BFBS reflected this in its on-air and website content over many weeks, with signposting to mental health support and other aid.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Digital transformation has also proved to be a powerful enabler in allowing us to strengthen our coverage of Forces Sport. Live streaming of inter services matches, with professional commentary and camera operators, has proved to be hugely popular and has enabled events to reach audiences of many thousands. We were particularly pleased to be able to step in and provide coverage of the Army v Navy rugby match at Twickenham, when the previous broadcaster stood down - over 100,000 watched it live.

BFBS Academy

Our most recent tranche of veterans graduated with a HNC qualification from the BFBS Academy in August 2021, following their one-year Creative Media Production course. This unique initiative has supported 51 veterans since it started with over 85% of them going on to establish new careers in the media industry.

The initiative was entirely funded by charitable grants from a mix of different sources comprising the LIBOR Fund, ABF The Soldiers Charity, the Veterans Foundation and the Royal British Legion. On behalf of all our veteran beneficiaries we would like to thank our charity partners for their support.

The Academy team have since focussed in devising new courses more targeted at specific skills gaps in the creative market for veterans. These include a Production Managers course, which was launched in September 2022 and a photography course, which we have developed in collaboration with the Army's Chief Photographer.

We have also continued to deliver bespoke media training courses to MoD staff, including serving personnel and civil servants and we are pleased to have added the Defence Science Technology Laboratory to our list of clients this year.

Our Social Media Spouses programme, funded by the Armed Forces Covenant Trust, continues to go from strength to strength. With lockdown restrictions easing we were delighted to be able to put on live events again, starting with our second 'SMSLive' event in Harrogate. This empowering day gave military spouses an opportunity to learn new skills, make connections and develop collaborations.

The challenges experienced by military spouses and the benefits they obtain from the programme come through strongly in the many testimonials we receive, including this from Elizabeth, one of our graduates:

"I was lucky enough to be part of the #SMSpouses programme and I can honestly say this course helped transform my life. It opened my eyes to a whole world of e-opportunities that can fit around military life and the unique challenges that come with being a Submariner's wife. Before #SMSpouses I didn't even feel part of the wider naval community as we don't live on a patch, but what I found when I got on to this course was an entire military community of spouses from all Services who are bursting with ideas and initiative and are ready and willing to support each other. For the first time in years, I felt like the immense personal sacrifices I have made in order to support my husband, were finally being both recognised and rewarded."

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

BFBS Creative

In recent years, we have taken the opportunity to deploy our media expertise and unique understanding of the military to support Forces personnel and UK Defence more widely. We do so through our communications agency, BFBS Creative, which has delivered a number of major campaigns, including:

- 'Cyber Confident' – an initiative to improve cyber security skills. We produced videos, podcasts, and even a game show to help educate the Forces and MoD civil servants about cyber risks;
- '#TimeToTalk' campaign within the Army to promote the mental wellbeing of those serving;
- Strategic Command videos and related content;
- MoD People initiatives on Defence Safeguarding, Future Accommodation Model and Flexible working;
- Support of the Army's annual hackathon at the BattleLab in Dorset with live streaming and video content production;
- RAF recruitment marketing support; and
- The set up, running and streaming of an e Sports tournament at Armed Forces Day in Scarborough.

In addition, we work with our fellow military charities and this year produced powerful narrative videos for RNRMC and RFEA to tell the stories of the tremendous support these organisations provide for their beneficiaries.

We have also been delighted with the success of our own online content – including 'Tea and Medals' our most popular podcast / video series to date. In this series, veteran and BFBS Academy graduate, Darren Coventry sits down with people, who have been awarded military honours to hear their stories.

BFBS Cinemas

BFBS Cinemas fully re-opened their doors post Covid to support Forces communities with the very latest film releases, seeing almost 30,000 seats filled with film fans in 21/22. We have also been focusing on more diverse scheduling and responding to requests from our community, including a number of Bollywood films.

BFBS welfare grants for hardware purchases have played an important part in ensuring that cinemas have been able to continue operating. These have included support with a replacement server in Cyprus, a new amp in Northern Ireland and digital screens in the cinema foyer in the Falklands, allowing the local military community to stay better informed of what's screening at their local BFBS Cinema.

While Covid restricted the use of our Movie Machine (an 80-seater mobile cinema), we were still able to host some very special screenings of 'No Time to Die' for the Ships' company of HMS Dragon, which appeared in the film itself. The Movie Machine was able to park up alongside the ship in Portsmouth Naval Base and offer two free screenings the same day the film was released across UK Cinemas.

"We're extremely impressed by the 'Movie Machine' mobile cinema – what an incredible facility! To be able to step onto the jetty and enjoy 'No Time to Die' on the day of its general release is such a privilege" Lt Cdr James Wagstaffe (Weapon Engineer Officer) HMS Dragon.

Around the same time, we also organised a morale boosting day for patients, staff and families at the Defence Medical Rehabilitation Centre in Stanford Hall, Loughborough - where we provided two free screenings of 'No Time to Die'.

Our portable cinema system, Cinelink has continued to support remote and isolated military communities, with a particular focus on overseas operational areas. The service reacted to multiple requests including supporting the Royal Navy's Carrier Strike Group on its deployment throughout 2021. The service brought movies to remote audiences just 6 weeks after release and boosted morale with movie nights – a valuable shared viewing experience, loved by all.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

BFBS Live Events

The pandemic continued to impact BFBS Live Events through spring and summer 2021 with units planning and then cancelling events due to Covid. Slowly confidence grew and through late summer and autumn we began to move forward with outdoor events, including RAF family days, awards ceremonies and cultural days.

The team also got out of the country for the first time since March 2020 when they staged an event for HMS Queen Elizabeth and other vessels from the Carrier Strike Group, on the final leg of Op FORTIS whilst they were alongside in Duqm, Oman in November 2021. An audience of approximately 1,000 officers and sailors filled the dockside with the backdrop of the QE behind the stage to enjoy a very well-received night of comedy and music.

"The work that BFBS Live does is absolutely crucial in terms of boosting morale. We could not be more grateful for the time, effort and funding that went into our event. It means a lot to us that the work we have done throughout the deployment has been recognised by the wider community – the event will definitely be remembered as one of the genuine highlights of Operation FORTIS." Cdr Law, HMS QUEEN ELIZABETH.

As always, experimenting with new kinds of content as well as getting creative for specific audiences and adding value to communities remains a cornerstone of delivery, including for a special summer event in Aldershot.

"As the senior lead for Fijians in Defence and host of the recent very successful Fijian Bula Festival, I write to convey my gratitude to BFBS for your generosity and support towards the event. You might be aware that Fijians are second only to the Gurkhas in terms of numbers of non-British nationals currently within Defence. Their contributions are well documented but not widely known within the organisation or nationally and so the Bula Festival was a great opportunity to address this deficit.... Your contribution was monumental and provided a focus point for the whole event. It enabled the coordination of the day's programme, and the live band brought the spirit of the islands into Queen's Avenue." Major General David Eastman, MBE

The Live Event team saw a short hiatus in delivery across late winter as the omicron variant gave cause for concern, with several more events postponed or cancelled. Since then, spring/summer 2022 saw an exponential rise in requests for live shows and the team was inundated with tasking for events across the rest of the year.

BFBS 'Big Salute' Campaign and the BFBS Welfare Fund

Although adversely impacted by Covid restrictions, fundraising for the BFBS Big Salute campaign still reached £30,000 through the combined efforts of our staff and military audiences.

Funds from last year's campaign were awarded to a range of charities for specific projects, including:

- Specialist equipment for blind RAF veterans;
- The setting up of a Homeless Veterans' Cycle Club in Liverpool;
- Supporting Rugby for Heroes in planning a coaching course for service leavers;
- The refurbishment of a 1960's kitchen at the Sunderland branch of the Royal Naval Association to host a Veterans Club;
- Specialist equipment for veterans suffering from hearing damage as a result of their active service; and
- Support in establishing a programme of activities for limbless and injured veterans.

"Generous funding of £5,000 from the BFBS Big Salute has helped Blesma deliver a new programme of at-home, online and physical activities to help our limbless and injured veterans, their widows and families in communities UK-wide. Thanks to your support, we have delivered activities to help 240 participants". BLESMA.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Total grants from the BFBS Welfare Fund were £245,000 which supported a wide range of projects including:

- Refurbishment of the Astra Cinema in Akrotiri;
- Audio visual equipment for a sports and social club at the Duke of Gloucester barracks;
- PS games and table tennis equipment for personnel on Op Tangham;
- Support of the 'Polar Preet' Antarctic expedition;
- Big screens for Royal Navy personnel in Bahrain to show the Euros and the British Lions tour;
- Sound stage at Armed Forces Day in Gibraltar;
- Funding of courses in grief and loss for the families of the 16 Signal Regiment;
- Cinema equipment in Northern Ireland, Cyprus and the Falklands; and
- Support of a Christmas market and grotto in Canada.

"...thank you to all at BFBS Canada who helped and supported the Christmas market. Without the grant we would not have been able to hire a professional Santa and create a grotto for him and Mrs Claus. With the grant we were also able to provide treats and a letter for the children visiting Santa. Thank you for being extremely supportive...without your help promoting it via the radio too I feel the footfall may not have been so popular! What a wonderful idea too to record Christmas messages for people back home". Fiona Coaton, Event Organiser

Support of Combined Services Sport continues to be a high priority for the BFBS Welfare Fund. With Covid restrictions resulting in widespread cancellation of events in the prior year, unspent grants awarded in the year 2020/21 were carried forward to 2021/22. Events supported during the year included Athletics, Basketball, Cricket, Football, Golf, Hockey, Ice Hockey, Indoor Climbing, Judo, Tennis, Martial Arts, Netball, Sailing, Squash, Swimming and Winter Sports.

The BFBS Ice Cream Van is a hugely appreciated part of our welfare support to the Forces community, sprinkling magic (and sometimes flakes) with free visits to units across the UK. As Covid restrictions eased towards Autumn 2021, we saw an extremely busy period attending more than 50 events at separate locations.

"Being served Ice Cream from a Camo Ice Cream Van is brilliant and thoroughly enjoyed by all attending the medals parade, but to then deliver ice cream to the local primary school of which 97% are service children, was just superb! I appreciate it was a super long day and lots of effort from the BFBS team, it is hugely appreciated, and we are grateful as a regiment for your support". Capt Paul Franks, 9 Regt RLC.

Ethics and Sustainability

Our Trustees act in a way to promote the success of BFBS in delivering on our charitable aims to the benefit of the Forces community. Conducting our activities on a strictly ethical basis, with due regard to the interests of other stakeholders and the wider community, is fundamental to ensuring the longevity of the Charity and the support we provide to our beneficiaries.

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

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Employees

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

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

Our commitment to the support of our staff was reinforced further in 2021 with the appointment of our first, full-time, Wellbeing and Community Coordinator.

Customers, Suppliers and Other Stakeholders

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

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

Financial Review

The financial statements reflect consolidated Group results for the first time as the activities of the trading subsidiary, BFBS Media Limited, have grown.

Total income was £28,774,000 up £1,110,000 (4.0%) on prior year, largely due to increases in income from other trading activities. In recent years, the Trustees have sought opportunities to grow revenue generated through the Charity's trading subsidiary, BFBS Media Limited, by offering media services to commercial organisations. The profits from these activities are remitted back to the Charity and are now providing a helpful additional source of funding to support the work we do for our Forces beneficiaries.

Total expenditure was £29,956,000 up £1,772,000 (6.3%) on prior year, as we invested in strengthening our services, particularly in BFBS TV and Online. The deficit for the year, before unrealised gains from investments and foreign currency forward contracts, was £1,182,000 (2021: £520,000).

Streamlined Energy & Carbon Reporting (SECR)

An important milestone was reached by BFBS in 2021/22 in formally committing to becoming a net zero carbon emissions organisation by 2050 or sooner.

Following on from this commitment, the first tranche of work was in assessing our greenhouse gas emissions and monitoring and reporting them in line with the Streamlined Energy and Carbon Reporting regulations (SECR).

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

BFBS

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

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

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

The data is shown in the table below and, since it is being included in our Trustees Report for the first time in 2021/22, we do not have comparative data for previous years. 2021/22 is therefore the Base Year for future reporting and comparison.

A wide range of initiatives are being scoped and planned to help BFBS reach its net zero target – many of them coming from ideas put forward by our staff. The Trustees look forward to providing updates on the progress made on these in our second year of reporting, 2022/23.

Table 1 BFBS SECR Return Financial Year 2021 / 2022

Source	Consumption kWh	Emissions kgCO ₂ e
Scope 1		
Purchased Gas	141,039	25,387
Refrigerants (All Sources)	-	15,053
Owened Vehicles	83,620	117,244
Scope 1 Total	-	157,684
Scope 2		
Purchased Electricity	31,720	164,027
Scope 2 Total	-	164,027
Scope 3		
Vehicle Travel	7,953	41,128
Air Travel	-	127,798
Rail Travel	-	1,109
Other Travel (Inc Taxi, Bus)	-	1,079
Employee Commuting	106,909	149,898
Upstream and Downstream Transportation	-	2,421
Waste	-	886
Scope 3 Total	-	324,319
Emissions Total	-	646,030
Carbon Intensity (Headcount)		2,530

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Plans for future periods

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

Key performance indicators

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

Key performance indicators ('KPIs') covering the delivery, performance and quality of the services provided under contracts to the MoD have been defined and are monitored and reviewed jointly with the MoD on a monthly basis. With the opinions of our viewers, listeners and customers of paramount importance to the Charity, audience research surveys are the most significant of the KPIs. In that context, we are pleased to report that audience satisfaction ratings have been consistently over 90% throughout the year to 31 March 2022, far in excess of the minimum contractual level required of the Charity by the MoD.

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

Investment policy and performance

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

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

The investment portfolio stood at £31,411,000 as at 31 March 2022, up £2,450,000 (8.5%) compared to 31 March 2021. This increase reflected the continuing recovery in equity markets.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Principal risks and uncertainties

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

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

The principal risks and uncertainties are as detailed below.

MoD Broadcasting Contract

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

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

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

Inflation

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

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

Cyber Security Risk

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

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

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

Technology Investment

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Covid / Future Pandemics

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

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

Reserves policy

At 31 March 2022, the Charity held 'unrestricted funds – other charitable funds' totalling £37,557,000 (2021: £36,174,000). The Charity's policy is to maintain reserves at a level sufficient to ensure that there is no major disruption to our services for beneficiaries in the event of unforeseen increases in expenditure or reductions in income, whilst at the same time allowing investment in new projects designed to ensure the long term financial sustainability of the Charity. In the event of the loss of the MoD Broadcasting Contract, the maintenance of an adequate level of reserves would be particularly important in providing a continuing flow of investment income to fund charitable activities.

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

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

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Market risk

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

Liquidity risk

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

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

Currency risk

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

Interest rate risk

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

Cash flow and credit risk

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

Structure, governance and management

Charity Status

The Charity is a company limited by guarantee (company number 00407270) and is registered as a charity (Charity number 00233480). Members of the organisation guarantee to contribute an amount not exceeding £1 each to the assets of the organisation in the event of a winding up. The total number of such guarantees at 31 March 2022 was 11 (2021: 11).

Our Aims and Objectives

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

Ensuring our work delivers our aims

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

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

Patron

The Trustees are delighted and honoured that The Queen Consort has become the Patron of BFBS. In a video to mark the occasion she said of BFBS *'spanning 15 time zones, from the deserts of the Middle East to the windswept Falkland Islands, you are a truly worldwide organisation that supports our service men and women wherever they may find themselves'*.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Organisation

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

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

A Chief Executive is appointed by the Board to manage the day-to-day operations of the Charity. The other members of the Executive Team (see page 44 to 45) assist the Chief Executive.

Directors

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

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

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

The membership of the Board is set out below:

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

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

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

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

Deborah Loudon - member of the nomination and remuneration committees

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

Helen Depree - member of the audit committee

Darren Long

Vanella Jackson

David Moody

Air Cdre Ian Tolfts – resigned 20 September 2022

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Trustee training and induction

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

Grants

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

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

Grants are awarded to units of the Forces in respect of worthy causes associated with education, training, welfare and entertainment needs. The welfare fund committee meets as and when required to deal with applications received and reports to the Board at each Board meeting. The Chief Executive and Director of Finance are authorised to approve individual grants with a value of less than £10,000, whilst the welfare fund committee is authorised to approve grants with a value of less than £50,000. Individual grants in excess of this value are approved by the Board. Grants are approved if the purpose is a worthy cause and is within the terms of the objectives of the Charity. During the financial year, 34 applications for grants were received, all of which were either partially or fully awarded. The average value of grants made during the year was £7,213.

Principal funding sources

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

Disabled workers

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

Statement of Trustees' responsibilities

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

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

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

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

The trustees confirm that:

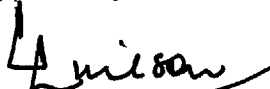
- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the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

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

Auditor

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

Approved by order of the members of the board of Trustees on 6/12/22 and signed on their behalf by:


Major General Christopher Wilson
(Chair of Trustees)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS

Opinion

We have audited the financial statements of BFBS (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the Charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Companies Act 2006, Charities SORP (FRS 102), Charities Act 2011, Data Protection Act 2018, Charity Code of Governance and The Ofcom Broadcasting Code;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

BFBS

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

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

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

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

Use of our report

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

Blick Rothenberg Audit LLP

Mahmood Ramji (senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

16 Great Queen Street

Covent Garden

London

WC2B 5AH

Date: *8 December 2022*

BFBS

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Income from:				
Charitable activities	4	26,662	26,662	26,303
Other trading activities	5	1,161	1,161	477
Investments	6	951	951	884
Total income		28,774	28,774	27,664
Resources expended				
Trading expenses		388	388	101
Charitable activities:	7			
Investment management costs		152	152	147
Costs in respect of charitable activities		29,203	29,203	27,733
Governance costs		213	213	203
Total resources expended		29,956	29,956	28,184
Net expenditure before fair value movements		(1,182)	(1,182)	(520)
Fair value movements on investments		2,451	2,451	6,842
Fair value movements on foreign currency forward contracts		114	114	(732)
Net movement in funds		1,383	1,383	5,590
Reconciliation of funds:				
Total funds brought forward		36,174	36,174	30,584
Net movement in funds		1,383	1,383	5,590
Total funds carried forward		37,557	37,557	36,174

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

All funds are unrestricted.

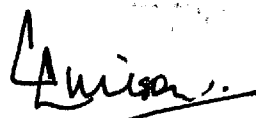
The notes on pages 26 to 45 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022**

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	10	4,382	5,519
Investments	11	31,411	28,960
		<u>35,793</u>	<u>34,479</u>
Current assets			
Debtors	12	5,032	3,856
Investments - bank deposits		118	617
Cash at bank and in hand		492	1,956
		<u>5,642</u>	<u>6,429</u>
Creditors: amounts falling due within one year	14	(3,878)	(4,734)
Net current assets		<u>1,764</u>	<u>1,695</u>
Total assets less current liabilities		<u>37,557</u>	<u>36,174</u>
Total net assets		<u>37,557</u>	<u>36,174</u>
Charity funds			
Restricted funds		-	-
Unrestricted funds		37,557	36,174
Total funds		<u>37,557</u>	<u>36,174</u>

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

The financial statements were approved and authorised for issue by the Trustees on 6/12/22 and signed on their behalf by:



Major General Christopher Wilson
(Chair of Trustees)

The notes on pages 26 to 45 form part of these financial statements.

CHARITY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	10	4,382	5,519
Investments	11	31,411	28,960
		<u>35,793</u>	<u>34,479</u>
Current assets			
Debtors	12	4,986	4,268
Investments		118	617
Cash at bank and in hand		429	1,439
		<u>5,533</u>	<u>6,324</u>
Creditors: amounts falling due within one year	14	(3,769)	(4,629)
Net current assets		<u>1,764</u>	<u>1,695</u>
Total assets less current liabilities		<u>37,557</u>	<u>36,174</u>
Total net assets		<u>37,557</u>	<u>36,174</u>
Charity funds			
Restricted funds		-	-
Unrestricted funds		37,557	36,174
Total funds		<u>37,557</u>	<u>36,174</u>

The Charity's net movement in funds for the year was £1,383,000 (2021 - £5,590,000).

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

The financial statements were approved and authorised for issue by the Trustees on 6/12/22 and signed on their behalf by:


Major General Christopher Wilson
(Chair of Trustees)

The notes on pages 26 to 45 form part of these financial statements.

BFBS

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £000	2021 £000
Cash flows from operating activities		
Net expenditure before fair value movements	(1,182)	(520)
Adjustments for:		
Depreciation of tangible assets	1,450	1,574
(Profit)/loss on disposal of tangible assets	(4)	139
Profit on disposal of investments	(5)	(5)
Dividends received	(951)	(884)
(Increase)/decrease in debtors	(1,062)	711
Decrease in creditors	(856)	(248)
Net cash (used in)/provided by operating activities	(1,428)	1,287
Cash flows from investing activities		
Purchase of tangible fixed assets	(509)	(786)
Sale of tangible fixed assets	200	30
Purchase of investments	-	(392)
Sale of investments	5	385
Dividends received	951	884
Net cash provided by investing activities	647	121
Change in cash and cash equivalents in the year	(1,963)	888
Cash and cash equivalents at the beginning of the year	2,573	1,685
Cash and cash equivalents at the end of the year	610	2,573

The notes on pages 26 to 45 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. General information

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

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

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

2.2 Going concern

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.3 Income

Income recognition

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

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

Investment income

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

Voluntary income

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

Trading income

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

Sale of goods

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

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

Rendering of services

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.4 Expenditure

Resources expended

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

Grants made

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

Investment management costs

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

Governance costs

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

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

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

2.6 Investments

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.7 Debtors

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

2.8 Cash and liquid assets

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

2.9 Liabilities and provisions

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

2.10 Financial Instruments

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

Financial assets

Loans and receivables

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.10 Financial instruments (continued)

Fair value through profit and loss

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

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

Financial liabilities

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

2.11 Pensions

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

2.12 Fund accounting

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

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

2.13 Investments in subsidiaries

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

2.14 Foreign currencies

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

2.15 Operating lease commitments

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.16 Defined contribution pension scheme

The Charity recognises the contribution payable for a period;

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

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

2.17 Taxation

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

2.18 Forward currency contracts

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

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

2.19 Financial liabilities and equity instruments

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Significant judgements and estimates

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

Critical accounting estimates and assumptions:

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

Useful economic lives of operational fixed assets

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

Valuation of foreign currency forward contracts

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

4. Income from charitable activities

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

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Incoming resources from charitable activities	26,662	26,662	26,303

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4. Income from charitable activities (continued)

The majority of the income resulted from activities delivered overseas.

During the year, the Charity provided services under contracts with the Ministry of Defence for the provision of television, radio, training and cinema services. These activities accounted for approximately 92% (2021: 92%) of the total income for the year. Services and supplies provided to the Forces on operations or stationed in the UK or overseas, but not under contract to the Ministry of Defence, include the operation and management of 11 cinema services (2021: 12) located in Cyprus, The Falkland Islands and the United Kingdom.

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

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Trading income	1,161	1,161	477

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

6. Investment income

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Dividends and interest receivable from fixed asset investments	951	951	884

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. Resources expended

	Grants 2022 £000	Direct costs 2022 £000	Support costs 2022 £000	Total funds 2022 £000
Costs paid to external parties in respect of charitable activities	-	24,055	5,148	29,203
External grants made in respect of specific requests	245	-	-	245
	<u>245</u>	<u>24,055</u>	<u>5,148</u>	<u>29,448</u>

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds (restated) 2021 £000
Staff costs	2,404	2,404	2,252
Depreciation	180	180	250
Other support costs	2,564	2,564	2,445
	<u>5,148</u>	<u>5,148</u>	<u>4,947</u>

Restatement of prior year support costs and direct costs split

Prior Year 'Other support costs' have been restated from £2,158,000 to £2,445,000 to reflect exchange movements within direct costs.

Resources expended in Governance costs

Governance costs total £213,000 (2021: £203,000) and include £174,000 (2021: £165,000) in respect of a proportion of senior management remuneration.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. Resources expended (continued)

Net incoming resources

	2022	2021
	£000	£000
Auditor's remuneration		
- Fees payable for the audit of the Charity's and Group annual accounts	27	37
- Fees payable for taxation compliance services	2	5
- Fees payable for other services	6	-
Depreciation of owned fixed assets (excluding buildings)	1,290	1,396
Depreciation of buildings	160	178
Hire of plant and machinery	38	20
Other operating leases	597	500
Foreign exchange loss/(gain)	28	(260)
Profit/(loss) on disposal of tangible fixed assets	(4)	139
Profit on disposal of investments	(5)	(5)
Trustee and employee costs	13,116	12,553

8. Staff costs

	Group	Group	Charity	Charity
	2022	2021	2022	2021
	£000	£000	£000	£000
Wages and salaries	11,261	10,830	11,261	10,830
Social security costs	1,124	1,029	1,124	1,029
Pension scheme contributions	731	696	731	696
	13,116	12,555	13,116	12,555

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Staff costs (continued)

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

	Group 2022 No.	Group 2021 No.
Activities in furtherance of the Charity's objects	247	238
Management and administration	8	8
	255	246

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

No Trustee or persons with a family or business connection with a Trustee, received remuneration or benefits in the year, directly or indirectly from the Group. An amount of £975 for expenses (2021: £599) was reimbursed to 3 Trustees (2021: 1).

The nature of the expenses was travel and subsistence.

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

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	9	10
In the band £70,001 - £80,000	8	6
In the band £80,001 - £90,000	3	2
In the band £90,001 - £100,000	2	3
In the band £100,001 - £110,000	2	-
In the band £110,001 - £120,000	1	2
In the band £120,001 - £130,000	2	3
In the band £130,001 - £140,000	1	-
In the band £140,001 - £150,000	-	1
In the band £150,001 - £160,000	1	-

Contributions totalling £166,503 (2021: £151,211) were paid in respect of 29 (2021: 27) higher paid employees in the year relating to the defined contribution scheme.

The Trustees consider key management personnel to comprise the members of the Senior Management Team. The total employment benefits, including employer pension contributions, of the Senior Management Team were £1,069,509 (2021: £1,039,821).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Grant payments

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Royal Navy	-	-	13
Combined Services Sports	-	-	130
Big Salute	14	14	34
Live Entertainment	123	123	14
Other grants made to the Forces	108	108	78
	<u>245</u>	<u>245</u>	<u>269</u>

10. Tangible fixed assets

Group and Charity

	Long-term leasehold property £000	Short-term leasehold property £000	Equipment £000	Assets under the course of construction £000	Total £000
Cost					
At 1 April 2021	1,914	6	15,291	346	17,557
Additions	-	-	-	509	509
Disposals	-	-	-	(196)	(196)
Transfers between classes	-	-	205	(205)	-
At 31 March 2022	<u>1,914</u>	<u>6</u>	<u>15,496</u>	<u>454</u>	<u>17,870</u>
Depreciation					
At 1 April 2021	577	6	11,455	-	12,038
Charge for the year	16	-	1,434	-	1,450
At 31 March 2022	<u>593</u>	<u>6</u>	<u>12,889</u>	<u>-</u>	<u>13,488</u>
Net book value					
At 31 March 2022	<u>1,321</u>	<u>-</u>	<u>2,607</u>	<u>454</u>	<u>4,382</u>
At 31 March 2021	<u>1,337</u>	<u>-</u>	<u>3,836</u>	<u>346</u>	<u>5,519</u>

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. Fixed asset investments

Group and Charity	Investments £000
Valuation	
At 1 April 2021	28,960
Revaluations	2,451
At 31 March 2022	<u>31,411</u>
Net book value	
At 31 March 2022	<u>31,411</u>
At 31 March 2021	<u>28,960</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. Fixed asset investments (continued)

Other investments are analysed as follows:

	2022	2021
	£000	£000
UK equities (listed)	18,642	17,337
Overseas equities (listed)	12,432	11,523
Fixed interest and cash	337	100
	31,411	28,960

12. Debtors

	Group	Group	Charity	Charity
	2022	2021	2022	2021
	£000	£000	£000	£000
Due within one year				
Trade debtors	3,335	701	3,191	681
Amounts owed by group undertakings	-	-	185	438
Other debtors	-	1	-	1
Prepayments and accrued income	1,583	3,101	1,496	3,095
Fair value of foreign currency contracts	114	53	114	53
	5,032	3,856	4,986	4,268

13. Cash at bank and in hand

	Group	Group	Company	Company
	2022	2021	2022	2021
	£000	£000	£000	£000
Bank and cash balances	492	1,956	429	1,439
Bank overdrafts	-	(13)	-	(13)
Investments - bank deposits	118	617	118	617
	610	2,560	547	2,043

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Creditors: amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Bank overdrafts	-	13	-	13
Trade creditors	1,342	1,091	1,342	1,091
Other taxation and social security	907	1,408	904	1,397
Other creditors	136	192	136	192
Accruals and deferred income	1,493	2,030	1,387	1,936
	3,878	4,734	3,769	4,629

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

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Deferred income at start of the year	706	1,432	619	1,331
Amounts recognised in the current year	(706)	(1,571)	(619)	(1,470)
Amounts deferred in the current year	556	845	455	758
Deferred income at the end of the year	556	706	455	619

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Financial instruments

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Financial assets				
Financial assets measured at fair value through profit or loss	32,135	31,599	32,072	31,069
Financial assets that are debt instruments measured at amortised cost	3,499	2,680	3,453	3,093
	35,634	34,279	35,525	34,162
	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Financial liabilities				
Financial liabilities measured at fair value through profit or loss	-	-	-	-
Financial liabilities that are debt instruments measured at amortised cost	(2,415)	(2,607)	(2,410)	(2,600)
	(2,415)	(2,607)	(2,410)	(2,600)

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

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

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

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2022 £000
General funds	36,174	28,774	(29,955)	2,564	37,557

Unrestricted funds - prior year

	Balance at 1 April 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Balance at 31 March 2021 £000
General funds	30,584	(520)	(732)	6,842	36,174

17. Contingent liabilities

There are no contingent liabilities as of 31 March 2022 and 31 March 2021.

18. Capital commitments

At 31 March 2022 the Charity had capital commitments of £Nil in relation to assets in the course of construction (2021: £Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

19. Operating lease commitments

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

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Land and Buildings				
Not later than 1 year	419	388	419	388
Later than 1 year and not later than 5 years	1,463	1,478	1,463	1,478
Later than 5 years	734	1,099	734	1,099
Other	2,616	2,965	2,616	2,965
Not later than 1 year	70	72	70	72
Later than 1 year and not later than 5 years	42	60	42	60
	2,728	3,097	2,728	3,097

20. Related party transactions

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

Transactions in respect of Trustees' expenses are disclosed in note 8.

21. Post balance sheet events

Subsequent to the year end we can report that the MoD has agreed to extend our contract by 3 years to 31 March 2026. The certainty provided by this decision leaves the charity well placed to further develop and strengthen our full range of services in support of our Forces beneficiaries.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

PATRON, TRUSTEES AND EXECUTIVE MANAGEMENT

PATRON

Her Majesty The Queen Consort

BOARD OF TRUSTEES

CHAIRMAN

Major General Chris Wilson CB CBE

VICE CHAIRMAN

Howard Perlin MBE FCA

TRUSTEES

Captain Graham Robinson RN

Tony Hales CBE

Deborah Loudon

Rear Admiral Anthony Rix RN CB

Helen Depree

Darren Long

Vanella Jackson

David Moody

SECRETARY

David Hamilton FCA

LIFE VICE-PRESIDENTS

Lieutenant General Sir Roderick Cordy-Simpson KBE CB

Michael Andrae Hon. FCIM

Air Vice-Marshal Andrew Vallance CB OBE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

PATRON, TRUSTEES AND EXECUTIVE MANAGEMENT (CONTINUED)

EXECUTIVE MANAGEMENT

CHIEF EXECUTIVE
Simon Bucks

DIRECTOR OF FINANCE
David Hamilton FCA

DIRECTOR OF FORCES BROADCASTING & ENTERTAINMENT
Nicky Ness

DIRECTOR OF DIGITAL CONTENT & TRAINING
Adam Waters

DIRECTOR OF EDITORIAL CONTENT
Lisa Mitchell

DIRECTOR OF TECHNOLOGY
Ryan Lambert

DIRECTOR OF DEVELOPMENT & STRATEGY
Nick Beer

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

