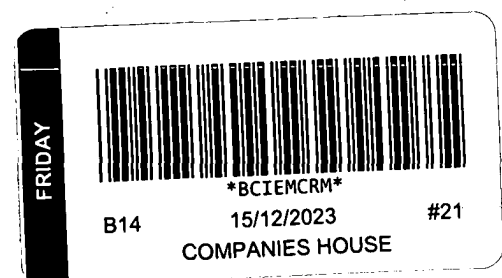


Registered number: 00407270
Charity number: 233480

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



BFBS

CONTENTS

	Page
Administrative details of the Charity and its advisers	1
Trustees' report	2 - 17
Independent auditor's report on the financial statements	18 - 21
Consolidated statement of financial activities	22
Consolidated balance sheet	23
Charity balance sheet	24
Consolidated statement of cash flows	25
Notes to the financial statements	26 - 46

BFBS

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

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

BFBS

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

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

Our aims and how our activities deliver public benefit

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

Our activities deliver benefit through:

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

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

Achievements and performance

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

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

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

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

BFBS

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

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

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

Broadcasting

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

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

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

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

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

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

BFBS

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

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

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

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

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

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

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

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

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

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

BFBS

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

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

BFBS Academy

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

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

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

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

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

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

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

BFBS Creative

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

BFBS

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

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

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

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

BFBS Cinemas

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

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

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

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

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

BFBS Live Events

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

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

BFBS

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

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

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

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

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

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

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

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

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

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

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

BFBS

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

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

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

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

Ethics and Sustainability

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

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

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

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

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

Employees

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

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

BFBS

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

Customers, Suppliers and Other Stakeholders

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

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

Financial Review

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

Streamlined Energy & Carbon Reporting (SECR)

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

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

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

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

BFBS

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

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

Table 1 BFBS SECR Return Financial Year 2022 / 2023

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

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

BFBS

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

Plans for future periods

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

Key performance indicators

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

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

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

Investment policy and performance

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

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

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

Principal risks and uncertainties

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

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

The principal risks and uncertainties are as detailed below.

BFBS

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

MoD Broadcasting Contract

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

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

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

Inflation

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

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

Cyber Security Risk

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

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

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

Technology Investment

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

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

Covid / Future Pandemics

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

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

BFBS

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

Reserves policy

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

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

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

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Market risk

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

Liquidity risk

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

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

Currency risk

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

BFBS

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

Interest rate risk

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

Cash flow and credit risk

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

Structure, governance and management**Charity Status**

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

Our Aims and Objectives

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

Ensuring our work delivers our aims

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

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

Organisation

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

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

BFBS

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

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

Directors

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

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

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

The membership of the Board is set out below:

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

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

Captain Graham Robinson RN – member of the investment and welfare fund committees

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

Deborah Loudon member of the nomination and remuneration committees

Rear Admiral Anthony Rix RN member of the welfare fund committee

Helen Depree member of the audit committee

Darren Long

Vanella Jackson

David Moody

Niall MacGinnis – appointed 7 December 2022

Air Cdre Ian Tolfts – resigned 20 September 2022

Trustee training and induction

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

Grants

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

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

BFBS

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

Grants are awarded to units of the Forces in respect of worthy causes associated with education, training, welfare and entertainment needs. The welfare fund committee meets as and when required to deal with applications received and reports to the Board at each Board meeting. The Chief Executive and Director of Finance are authorised to approve individual grants with a value of less than £10,000, whilst the welfare fund committee is authorised to approve grants with a value of less than £50,000. Individual grants in excess of this value are approved by the Board. Grants are approved if the purpose is a worthy cause and is within the terms of the objectives of the Charity. During the financial year, 34 applications for grants were received, all of which were either partially or fully awarded. The average value of grants made during the year was £9,454.

Principal funding sources

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

Disabled workers

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

Statement of Trustees' responsibilities

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

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

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

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

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

The Trustees confirm that:

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

BFBS

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

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

Auditor

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

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

DocuSigned by:

Major General Christopher Wilson

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Major General Christopher Wilson
(Chair of Trustees)

Date: 05-Dec-23 | 18:40 GMT

BFBS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BFBS

Opinion

We have audited the financial statements of BFBS (the 'Parent Charitable Company') and its subsidiary (the 'Group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the Charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

BFBS

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

BFBS

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

BFBS

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

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

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

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

Use of our report

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

Blick Rothenberg Audit LLP

Mahmood Ramji (senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

16 Great Queen Street

Covent Garden

London

WC2B 5AH

Date: 13/12/2023

BFBS

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income from:				
Charitable activities	4	27,188	27,188	26,662
Other trading activities	5	1,025	1,025	1,161
Investments	6	1,102	1,102	951
Total income		29,315	29,315	28,774
Expenditure on:				
Trading expenses		268	268	388
Charitable activities:	7			
Investment management costs		151	151	152
Costs in respect of charitable activities		30,349	30,349	29,203
Governance costs		227	227	213
Total resources expended		30,995	30,995	29,956
Net expenditure before fair value movements		(1,680)	(1,680)	(1,182)
Fair value movements on investments		(1,226)	(1,226)	2,451
Fair value movements on foreign currency forward contracts		-	-	114
Net movement in funds		(2,906)	(2,906)	1,383
Reconciliation of funds:				
Total funds brought forward		37,557	37,557	36,174
Net movement in funds		(2,906)	(2,906)	1,383
Total funds carried forward		34,651	34,651	37,557

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

All funds are unrestricted.

The notes on pages 26 to 46 form part of these financial statements.

BFBS
REGISTERED NUMBER: 00407270

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	10	3,895	4,382
Investments	11	30,185	31,411
		34,080	35,793
Current assets			
Debtors	12	2,306	5,032
Investments - bank deposits	13	69	118
Cash at bank and in hand	13	1,446	492
		3,821	5,642
Creditors: amounts falling due within one year	14	(3,250)	(3,878)
Net current assets		571	1,764
Total assets less current liabilities		34,651	37,557
Net assets excluding pension asset		34,651	37,557
Total net assets		34,651	37,557
Charity funds			
Restricted funds	16	-	-
Unrestricted funds	16	34,651	37,557
Total funds		34,651	37,557

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

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

DocuSigned by:

Major General Christopher Wilson

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Major General Christopher Wilson
 (Chair of Trustees)

Date: 05-Dec-23 | 18:40 GMT

The notes on pages 26 to 46 form part of these financial statements.

BFBS
REGISTERED NUMBER: 00407270

CHARITY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	10	3,895	4,382
Investments	11	30,185	31,411
		<u>34,080</u>	<u>35,793</u>
Current assets			
Debtors	12	2,244	4,986
Investments - bank deposits	13	69	118
Cash at bank and in hand	13	1,403	429
		<u>3,716</u>	<u>5,533</u>
Creditors: amounts falling due within one year	14	(3,145)	(3,769)
Net current assets		<u>571</u>	<u>1,764</u>
Total assets less current liabilities		<u>34,651</u>	<u>37,557</u>
Total net assets		<u>34,651</u>	<u>37,557</u>
Charity funds			
Restricted funds	16	-	-
Unrestricted funds	16	34,651	37,557
Total funds		<u>34,651</u>	<u>37,557</u>

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

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

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Major General Christopher Wilson

DA31FA75304B4A2...

Major General Christopher Wilson
 (Chair of Trustees)

Date: 05-Dec-23 | 18:40 GMT

The notes on pages 26 to 46 form part of these financial statements.

BFBS

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £000	2022 £000
Cash flows from operating activities		
Net cash used in operating activities	(1,680)	(1,182)
Adjustments for:		
Depreciation of tangible assets	1,362	1,450
Profit on disposal of tangible assets	(10)	(4)
Profit on disposal of investments	-	(5)
Dividends received	(1,102)	(951)
Decrease/(increase) in debtors	2,726	(1,062)
Decrease in creditors	(628)	(856)
Net cash provided by/(used in) operating activities	2,348	(1,428)
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,087)	(509)
Sale of tangible fixed assets	222	200
Sale of investments	-	5
Dividends received	1,102	951
Cash flows from investing activities	237	647
Change in cash and cash equivalents in the year	905	(1,963)
Cash and cash equivalents at the beginning of the year	610	2,573
Cash and cash equivalents at the end of the year	1,515	610

The notes on pages 26 to 46 form part of these financial statements

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. General information

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

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

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

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

BFBS meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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

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

2.2 Going concern

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

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

Investment income

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

Voluntary income

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

Trading income

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

Sale of goods

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

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

Rendering of services

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

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

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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

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

Grants made

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

Investment management costs

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

Governance costs

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

2.5 Tangible fixed assets and depreciation

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

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

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

Depreciation is provided on the following bases:

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

2.6 Investments

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

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

BFBS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.7 Debtors

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

2.8 Cash and liquid assets

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

2.9 Liabilities and provisions

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

2.10 Financial instruments

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

Financial assets

Loans and receivables

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

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.10 Financial instruments (continued)

Fair value through profit and loss

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

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

Financial liabilities

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

2.11 Pensions

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

2.12 Fund accounting

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

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

2.13 Investments in subsidiaries

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

2.14 Foreign currencies

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

2.15 Operating lease commitments

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

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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

The Charity recognises the contribution payable for a period;

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

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

2.17 Taxation

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

2.18 Forward currency contracts

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

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

2.19 Financial liabilities and equity instruments

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

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

BFBS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

3. Significant judgements and estimates

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

Critical accounting estimates and assumptions:

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

Useful economic lives of operational fixed assets

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

Valuation of foreign currency forward contracts

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

4. Income from charitable activities

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

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Incoming resources from charitable activities	27,188	27,188	26,662

BFBS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

4. Income from charitable activities (continued)

The majority of the income resulted from activities delivered overseas.

During the year, the Charity provided services under contracts with the Ministry of Defence for the provision of television, radio, training and cinema services. These activities accounted for approximately 90% (2022: 92%) of the total income for the year. Services and supplies provided to the Forces on operations or stationed in the UK or overseas, but not under contract to the Ministry of Defence, include the operation and management of 11 cinema services (2022: 11) located in Cyprus, The Falkland Islands and the United Kingdom.

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

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Trading income	1,025	1,025	1,161

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

6. Investment income

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Dividends and interest receivable from fixed asset investments	1,102	1,102	951

BFBS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

7. Resources expended

	Grants 2023 £000	Direct costs 2023 £000	Support costs 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Costs paid to external parties in respect of charitable activities	-	25,678	4,350	30,028	28,958
External grants made in respect of specific requests	321	-	-	321	245
	<u>321</u>	<u>25,678</u>	<u>4,350</u>	<u>30,349</u>	<u>29,203</u>
			Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Staff costs			2,579	2,579	2,404
Depreciation			183	183	180
Other support costs			1,588	1,588	2,564
			<u>4,350</u>	<u>4,350</u>	<u>5,148</u>

Resources expended in Governance costs

Governance costs total £227,000 (2022: £213,000) and include £185,000 (2022: £174,000) in respect of a proportion of senior management remuneration.

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Resources expended (continued)

	2023 £000	2022 £000
Auditor's remuneration:		
- Fees payable for the audit of the Charity's and Group annual accounts	35	27
- Fees payable for taxation compliance services	2	2
- Fees payable for other services	11	6
Depreciation of owned fixed assets (excluding buildings)	1,201	1,290
Depreciation of buildings	161	160
Hire of plant and machinery	65	38
Other operating leases	-	597
Foreign exchange (gain)/loss	(217)	28
Profit on disposal of tangible fixed assets	(10)	(4)
Profit on disposal of investments	-	(5)
Trustee and employee costs	14,044	13,116
	15,292	15,255

8. Staff costs

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Wages and salaries	12,023	11,261	12,023	11,261
Social security costs	1,261	1,124	1,261	1,124
Contribution to defined contribution pension schemes	760	731	760	731
	14,044	13,116	14,044	13,116

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. Staff costs (continued)

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

	Group 2023 No.	Group 2022 No.
Activities in furtherance of the Charity's objects	249	247
Management and administration	8	8
	257	255

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

No Trustee or persons with a family or business connection with a Trustee, received remuneration or benefits in the year, directly or indirectly from the Group. An amount of £1,479 for expenses (2022: £975) was reimbursed to 4 Trustees (2022: 3).

The nature of the expenses was travel and subsistence.

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

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	17	9
In the band £70,001 - £80,000	9	8
In the band £80,001 - £90,000	2	3
In the band £90,001 - £100,000	2	2
In the band £100,001 - £110,000	1	2
In the band £110,001 - £120,000	1	1
In the band £120,001 - £130,000	1	2
In the band £130,001 - £140,000	1	1
In the band £140,001 - £150,000	1	-
In the band £150,000 - £160,000	-	1
In the band £160,000 - £170,000	1	-

Contributions totalling £189,876 (2022: £166,503) were paid in respect of 36 (2022: 29) higher paid employees in the year relating to the defined contribution scheme.

The Trustees consider key management personnel to comprise the members of the Senior Management Team. The total employment benefits, including employer pension contributions, of the Senior Management Team were £1,207,495 (2022: £1,069,509).

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. Grant payments

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Big Salute	14	14	14
Live Entertainment	84	84	123
Combined Sport	100	100	-
Navy	15	15	-
Other grants made to the Forces	108	108	108
	321	321	245

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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

	Long-term leasehold property £000	Short-term leasehold property £000	Equipment £000	Assets under the course of construction £000	Total £000
Cost					
At 1 April 2022	1,914	6	15,496	454	17,870
Additions	12	-	43	1,032	1,087
Disposals	-	-	(35)	(212)	(247)
Transfers between classes	-	-	654	(654)	-
At 31 March 2023	1,926	6	16,158	620	18,710
Depreciation					
At 1 April 2022	593	6	12,889	-	13,488
Charge for the year	304	-	1,058	-	1,362
On disposals	-	-	(35)	-	(35)
At 31 March 2023	897	6	13,912	-	14,815
Net book value					
At 31 March 2023	1,029	-	2,246	620	3,895
At 31 March 2022	1,321	-	2,607	454	4,382

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Fixed asset investments

Group and Charity	Investments £000
Valuation	
At 1 April 2022	31,411
Revaluations	(1,226)
	<u>30,185</u>
At 31 March 2023	<u>30,185</u>
Net book value	
At 31 March 2023	30,185
At 31 March 2022	<u>31,411</u>

Principal subsidiary

The following was a subsidiary undertaking of the Charity:

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

BFBS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. Fixed asset investments (continued)

	2023 £000	2022 £000
UK equities (listed)	17,840	18,642
Overseas equities (listed)	11,899	12,432
Fixed interest and cash	446	337
	<u>30,185</u>	<u>31,411</u>

12. Debtors

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Due within one year				
Trade debtors	973	3,335	661	3,191
Amounts owed by Group undertakings	-	-	308	185
Other debtors	8	-	8	-
Prepayments and accrued income	1,325	1,583	1,267	1,496
Fair value of foreign currency contracts	-	114	-	114
	<u>2,306</u>	<u>5,032</u>	<u>2,244</u>	<u>4,986</u>

13. Cash at bank and in hand

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Bank and cash balances	1,446	492	1,403	429
Investments - bank deposits	69	118	69	118
	<u>1,515</u>	<u>610</u>	<u>1,472</u>	<u>547</u>

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Creditors: amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Trade creditors	1,006	1,342	1,006	1,342
Other taxation and social security	887	907	857	904
Other creditors	124	136	126	136
Accruals and deferred income	1,233	1,493	1,156	1,387
	3,250	3,878	3,145	3,769

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

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Deferred income at start of the year	556	706	455	619
Amounts recognised in the current year	(556)	(706)	(455)	(619)
Amounts deferred in the current year	360	556	336	455
Deferred income at the end of the year	360	556	336	455

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Financial instruments

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Financial assets				
Financial assets measured at fair value through income and expenditure	31,700	32,135	31,657	32,072
Financial assets that are debt instruments measured at amortised cost	1,109	3,499	1,047	2,680
	32,809	35,634	32,704	34,752
	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Financial liabilities				
Derivative financial instruments measured at fair value through income and expenditure	-	-	-	-
Financial liabilities that are debt instruments measured at amortised cost	(2,363)	(2,415)	(1,951)	(2,410)
	(2,363)	(2,415)	(1,951)	(2,410)

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

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

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

BFBS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Unrestricted funds - Charity and Group

Unrestricted funds - current year

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

Unrestricted funds - prior year

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2022 £000
Unrestricted funds					
General funds	36,174	28,774	(29,956)	2,565	37,557

17. Contingent liabilities

There are no contingent liabilities as of 31 March 2023 and 31 March 2022.

18. Capital commitments

At 31 March 2023 the Group and the Charity had capital commitments of £Nil in relation to assets in the course of construction (2022: £Nil).

BFBS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

19. Operating lease commitments

At 31 March 2023 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Land and Buildings				
Not later than 1 year	371	419	371	419
Later than 1 year and not later than 5 years	1,463	1,463	1,463	1,463
Later than 5 years	363	734	363	734
	<u>2,197</u>	<u>2,616</u>	<u>2,197</u>	<u>2,616</u>
Later than 5 years				
Not later than 1 year	29	70	29	70
Later than 1 year and not later than 5 years	15	42	15	42
	<u>2,241</u>	<u>2,728</u>	<u>2,241</u>	<u>2,728</u>

20. Related party transactions

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

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

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

PATRON, TRUSTEES AND EXECUTIVE MANAGEMENT

PATRON

Her Majesty The Queen

BOARD OF TRUSTEES

CHAIRMAN

Major General Chris Wilson CB CBE

VICE CHAIRMAN

Howard Perlin MBE FCA

TRUSTEES

Captain Graham Robinson RN

Tony Hales CBE

Deborah Loudon

Rear Admiral Anthony Rix RN CB

Helen Depree

Darren Long

Vanella Jackson

David Moody

Niall MacGinnis

SECRETARY

David Hamilton FCA

LIFE VICE-PRESIDENTS

Lieutenant General Sir Roderick Cordy-Simpson KBE CB

Michael Andrae Hon. FCIM

Air Vice-Marshal Andrew Vallance CB OBE

BFBS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

PATRON, TRUSTEES AND EXECUTIVE MANAGEMENT (CONTINUED)

EXECUTIVE MANAGEMENT

CHIEF EXECUTIVE
Ben Chapman

DIRECTOR OF FINANCE
David Hamilton FCA

DIRECTOR OF FORCES BROADCASTING & ENTERTAINMENT
Nicky Ness

DIRECTOR OF DIGITAL CONTENT & TRAINING
Adam Waters

DIRECTOR OF EDITORIAL CONTENT
Lisa Mitchell

DIRECTOR OF TECHNOLOGY
Ryan Lambert

DIRECTOR OF DEVELOPMENT & STRATEGY
Nick Beer

DIRECTOR OF HUMAN RESOURCES
Laura Smith

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