

Company Registration Number 07562754 (England and Wales)

Charity Registration Number 1140833 (England and Wales)

**BFI TRUST**  
**(a charitable company)**

**Trustees' Report and Financial Statements**  
**for the year ended 31 March 2015**

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# **BFI TRUST**

## **TRUSTEES' REPORT AND FINANCIAL STATEMENTS 2015**

<b>CONTENTS</b>	<b>Page</b>
Company information	1
Trustees' report	2 - 4
Independent auditor's report	5 - 6
Statement of financial activities	7
Balance sheet	8
Cash flow statement	9
Notes to the financial statements	10 - 15

## **BFI TRUST**

### **COMPANY INFORMATION**

<b>Status</b>	The organisation is a charitable company incorporated on 14 March 2011 and registered as a charity on 18 March 2011.
<b>Company registration number</b>	07562754
<b>Charity registration number</b>	1140833
<b>Trustees and Directors</b>	Shami Chakrabarti Eric Fellner Peter Foy David Kustow OBE Trevor Mawby (appointed 22 July 2014) Caroline Michel Amanda Nevill CBE
<b>Secretary</b>	Iain Thomson
<b>Registered office</b>	21 Stephen Street London W1T 1LN
<b>Bankers</b>	Lloyds Bank plc 113 - 117 Oxford Street London W1D 2HW
<b>Auditor</b>	Brebners 130 Shaftesbury Avenue London W1D 5AR

## **BFI TRUST**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2015**

The Trustees present their report, together with the financial statements and auditor's report, for the year ended 31 March 2015.

#### **Structure, governance and management**

##### *Constitution*

The BFI Trust (Trust) was incorporated on 14 March 2011 as a charitable company limited by guarantee, governed by its Memorandum and Articles of Association.

##### *Organisational structure*

The Trust is managed by a Board of Trustees, who are also Directors of the company.

The power to appoint new Trustees is exercisable by surviving or continuing Trustees. New Trustees are fully briefed on the objectives of the Trust and their role as Trustees. This is reinforced by training, as required, to equip them to effectively discharge their duties.

##### *Trustees/Directors*

The Trustees who served during the year and to the date of approval were:

Shami Chakrabarti  
Eric Fellner  
Peter Foy  
David Kustow OBE  
Trevor Mawby (appointed 22 July 2014)  
Caroline Michel  
Amanda Nevill CBE

The Trustees work actively with the Company Secretary to make the day-to-day management decisions for the Trust.

#### **Objectives and activities**

The objects of the Trust, for the benefit of the public, are to:-

- (a) encourage the development of the arts of film, television and the moving image throughout the United Kingdom of Great Britain and Northern Ireland;
- (b) promote the arts of film, television and the moving image use as a record of contemporary life and manners;
- (c) promote education about film, television and the moving image generally, and their impact on society;
- (d) promote access to and appreciation of the widest possible range of British and world cinema and to establish, care for and develop collections reflecting the moving image history and heritage of the United Kingdom of Great Britain and Northern Ireland; and
- (e) in particular to support the work of the British Film Institute (registered charity 287780).

## **BFI TRUST**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2015**

#### **Activities and results for the year**

The results for the year, as set out on page 6, show an operating deficit of £1,400,662 (2014: deficit of £829,508). This deficit is reflected in decreased unrestricted reserves of £37,119,042 (2014: £38,519,704). Much of the reserves are tied up in the value of fixed assets, but the company has free reserves (net current assets less creditors) of £7,369,991 (2014: £7,367,511).

The Trustees consider the actual performance in the year compared to the Trust objectives to be satisfactory.

The Trust owns freehold properties which the BFI occupies on 10 - 30 year leases at, or near, open market value from the Trust. The Trust made grants to the BFI totalling £1,591,000 (2014: £950,000) to support its charitable activities.

#### **Plans for Future Periods**

The key objectives for the coming year will be to consider grant applications and to develop and implement an investment strategy to guide the stewardship of the Trust's funds.

#### **Public Benefit**

In setting the Trust's objectives and planning its activities the Trustees have complied with their duties under the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. The Trustees consider that the objects of the Trust, the activities outlined in this report and plans for future periods demonstrate public benefit.

#### **Reserves**

It is the policy of the Trust to maintain a level of unrestricted funds as free reserves. These provide funds to contribute towards anticipated costs for the coming year, working capital requirements and to respond to project opportunities.

In particular, the Trustees are keen to support the capital investment requirements of the BFI during this period of austerity with constraints on government expenditure and a challenging environment for private donations.

#### **Going concern**

The Trustees consider that the demand for the Trust's services will continue. The Trustees continue to ensure that the risks associated with the Trust are minimised. The Trustees have a reasonable expectation that the Trust has adequate resources to continue for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing their report and financial statements.

#### **Trustees' indemnities**

The Trust has purchased insurance to indemnify the Trustees against the consequences of any neglect or default on their part. This includes cover for Trustees and Officers of the Trust and was in place during the year and at the date of this report.

## **BFI TRUST**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2015**

#### **Statement of Trustees' Responsibilities**

The Trustees are responsible for preparing their 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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and of the profit or loss of the company for that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Disclosure of information to auditor**

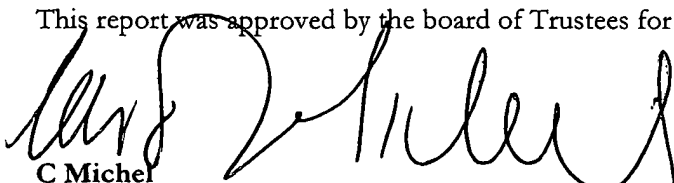
In the case of each of the persons who are Trustees of the Trust at the date when this report is approved:

- so far as each of the Trustees is aware, there is no relevant audit information of which the Trust's auditor is unaware;
- the auditor has performed no non-audit work; and
- each of the Trustees has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of Trustees for signature on 18<sup>th</sup> December 2015.



C Michel  
Trustee

## **BFI TRUST**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BFI TRUST**

We have audited the financial statements of BFI Trust for the year ended 31st March 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditor**

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.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **BFI TRUST**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BFI TRUST**

#### **Opinion on financial statements**

In our opinion the financial statements:

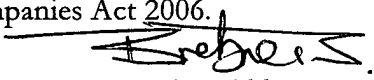
- give a true and fair view of the state of the charitable company's affairs as at 31st March 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

Brebners is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

  
Martin Widdowson  
Senior Statutory Auditor

For and on behalf of  
Brebners  
Chartered Accountants  
& Statutory Auditors

130 Shaftesbury Avenue  
London  
W1D 5AR

Date 18/12/2015



# BFI TRUST

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Year ending 31 March 2015	Year ending 31 March 2014
<b>Incoming Resources</b>			
<i>Voluntary income:</i>			
Grants		-	-
Incoming resources from charitable activities	2	1,515,250	1,515,250
Investment income	3	104,406	32,993
Total incoming resources		1,619,656	1,548,243
<b>Resources expended</b>			
Charitable activities		(3,002,512)	(2,360,386)
Governance costs	5	(17,806)	(17,365)
Total resources expended		(3,020,318)	(2,377,751)
<b>Net (outgoing) resources</b>		(1,400,662)	(829,508)
<b>Net movement in funds</b>		(1,400,662)	(829,508)
<b>Reconciliation of funds</b>			
Fund balances brought forward	9	38,519,704	39,349,212
<b>Fund balances carried forward</b>	9	37,119,042	38,519,704

All gains and losses recognised in the year are included in this Statement of Financial Activities.

The accompanying notes form an integral part of this Statement of Financial Activities.

# BFI TRUST

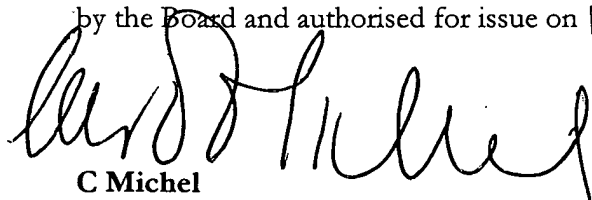
## BALANCE SHEET AS AT 31 MARCH 2015

	Notes	2015 £	2014 £
<b>Tangible fixed assets</b>	6	29,749,051	31,152,193
<b>Current assets</b>			
Cash at bank and in hand		<u>7,786,849</u>	<u>14,904,162</u>
		7,786,849	14,904,162
<b>Creditors: amounts falling due within one year</b>	7	<u>(416,858)</u>	<u>(7,536,651)</u>
<b>Net current assets</b>		<u>7,369,991</u>	<u>7,367,511</u>
<b>Total assets less current liabilities</b>		<u>37,119,042</u>	<u>38,519,704</u>
<b>Net assets</b>		<u><u>37,119,042</u></u>	<u><u>38,519,704</u></u>
<b>Represented by:</b>			
Unrestricted funds	9	<u><u>37,119,042</u></u>	<u><u>38,519,704</u></u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accompanying notes form an integral part of these financial statements.

These financial statements for the company, registration number 07562754, were approved by the Board and authorised for issue on 18<sup>th</sup> December 2015.



C Michel  
Trustee

**BFI TRUST****CASH FLOW STATEMENT  
FOR THE YEAR TO 31 MARCH 2015**

	Notes	2015 £	2014 £
<b>Cash flows from operating activities</b>			
Operating deficit		(1,400,662)	(829,508)
Less interest receivable		(104,406)	(32,993)
Depreciation	6	1,403,142	1,403,142
Decrease in payables	7	(7,119,793)	(359,604)
Net cash inflow from operating activities		<u>(7,221,719)</u>	<u>181,037</u>
<b>Returns on investment and servicing of finance</b>			
Interest received		<u>104,406</u>	<u>32,993</u>
<b>(Decrease) / increase in cash and cash equivalents</b>		<u><u>(7,117,313)</u></u>	<u><u>214,030</u></u>
 Cash and cash equivalents at the start of the period		 14,904,162	 14,690,132
Cash and cash equivalents at the end of the period		<u>7,786,849</u>	<u>14,904,162</u>
<b>(Decrease) / increase in cash and cash equivalents</b>		<u><u>(7,117,313)</u></u>	<u><u>214,030</u></u>

# **BFI TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with the Charities Act 2011, the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities Statement of Recommended Practice (revised 2005)" and applicable accounting standards.

#### **1.2 Going concern**

The Trust's activities and future plans are set out in the Trustees' Report. The Trustees' forecasts and projections, taking into account reasonably foreseeable changes in income and expenditure, show that the Trust should be able to continue its operate on this basis. Based on the above the Trustees have a reasonable expectation that the Trust has adequate resources to continue for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing their report and financial statements.

#### **1.3 Incoming resources**

Gifts in Kind, grants and donations are only included in the Statement of Financial Activities where the Trust has unconditional entitlement to resources.

Incoming resources from charitable activities is primarily rental income and is accounted for in the period for which the rental is due.

#### **1.4 Resources expended**

All expenditure on charitable activities was incurred to promote and encourage the arts of film, television and the moving image, in accordance with our charitable objects. Governance costs are the costs associated with the governance arrangements, including audit fees.

#### **1.5 Tangible fixed assets, depreciation and impairment**

Expenditure on tangible fixed assets costing £1,000 or more and with a useful economic life of at least 3 years is capitalised and included at cost.

Fixed assets received as Gifts in Kind have been valued by independent professional valuers using either Existing Use Value or Depreciated Replacement Cost as allowed for under FRS15: Tangible Fixed Assets.

Depreciation is provided on all tangible fixed assets, except freehold land, to write off the cost or valuation less estimated residual values over their expected useful economic lives. It is calculated on a straight line basis, at the following rates:

Freehold buildings	Remaining useful economic lives range from 5 to 50 years
Fixtures and fittings	Remaining useful economic lives range from 5 to 15 years
Plant and machinery	Remaining useful economic lives range from 5 to 20 years

## BFI TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

#### 1.5 Tangible fixed assets, depreciation and impairment (continued)

The carrying value of fixed assets is reviewed at least annually. Where the carrying value is considered to be greater than the value of the asset to the activities of the Trust, an impairment charge will be made in the year to reflect that loss in value.

#### 1.6 Grants payable

Grants payable are recognised when formally approved by the Trustees and shown as resources expended within the Statement of Financial Activities when the grant becomes unconditional.

#### 1.7 Grants receivable

Grants receivable are recognised when formally approved by the granting body and notified to the Trust and shown as incoming resources within the Statement of Financial Activities when the grant becomes unconditional.

#### 1.8 Fund accounting

Unrestricted funds are funds available for use at the discretion of the Trustees in the furtherance of the general objectives of the Trust and which are not subject to externally imposed restrictions.

#### 1.9 Taxation

The BFI Trust is a registered charity and as such its income and gains falling within s.505 ICTA 88 or s.256 TCGA 92 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

Irrecoverable VAT is allocated to the relevant expense headings.

### 2 Incoming resources from charitable activities

	2015	2014
	£	£
Incoming resources from charitable activities	<u>1,515,250</u>	<u>1,515,250</u>

Incoming resources primarily relates to rental income arising on the freehold properties of the Trust.

The BFI occupies the properties on leases of ten and thirty years at or near open market value from the Trust.

### 3 Investment income

	2015	2014
	£	£
Interest income	<u>104,406</u>	<u>32,993</u>

## BFI TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

#### 4 Trustee remuneration and expenses

Neither remuneration nor expense payments were made to Trustees in the year to 31 March 2015 (2014: £Nil).

The Trust has purchased insurance to indemnify the Trustees against the consequences of any neglect or default on their part. The cost amounted to £990 (2014: £900), which includes cover for Trustees and Officers of the Trust.

#### 5 Net incoming resources

	2015	2014
	£	£
Net incoming resources are arrived at after charging:		
<i>Governance costs</i>		
Auditor's remuneration - for the audit of the Trust's accounts *	5,400	4,500
Trustees costs (insurance)	990	900
Corporate support **	11,416	11,965
	<hr/>	<hr/>
Total governance costs	17,806	17,365
	<hr/>	<hr/>

\* Prior year: Fee of £4,500 plus irrecoverable VAT of £900 less £900 overaccrued in 2012-13.

\*\* The Trust has no employees. The BFI provides accounting and administration services for which the Trust is charged on an arms length basis, including irrecoverable VAT.

# BFI TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 6 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Plant and machinery £	Total £
<b>Cost or valuation</b>				
At 1 April 2014 and 31 March 2015	26,734,015	4,087,500	4,138,500	34,960,015
<b>Depreciation</b>				
At 1 April 2014	(1,945,966)	(988,035)	(873,821)	(3,807,822)
Charge for the year	(709,417)	(369,021)	(324,704)	(1,403,142)
At 31 March 2015	(2,655,383)	(1,357,056)	(1,198,525)	(5,210,964)
<b>Net Book Value</b>				
At 1 April 2014	24,788,049	3,099,465	3,264,679	31,152,193
At 31 March 2015	24,078,632	2,730,444	2,939,975	29,749,051

Freehold land and buildings includes land at a cost/valuation of: 6,330,000

In accordance with the accounting policy, tangible fixed assets were formally valued when acquired. The Trustees are satisfied that the market value at 31 March 2015 is not materially different to that at the date of acquisition.

### 7 Creditors: amounts falling due within one year

	2015 £	2014 £
Grants payable	-	(7,500,000)
Other creditors	(32,645)	(31,251)
Accruals and deferred income (note 8)	(384,213)	(5,400)
	<u>(416,858)</u>	<u>(7,536,651)</u>

## BFI TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

#### 8 Deferred income

	2015	2014
	£	£
<b>Rental income</b>		
At 1 April 2014	-	(378,813)
Amount released to incoming resources	-	378,813
Amount deferred in the year	(378,813)	-
At 31 March 2015	(378,813)	-

#### 9 Unrestricted funds

	2015	2014
	£	£
Net (outgoing)/incoming resources	(1,400,662)	(829,508)
Opening unrestricted funds	38,519,704	39,349,212
Closing unrestricted funds	37,119,042	38,519,704

#### 10 Taxation

The BFI Trust is a registered charity and as such is potentially exempt from taxation of its income and gains to the extent that they are applied to its charitable objectives.

Irrecoverable VAT is charged to the cost category to which it relates.

#### 11 Members' liability

The Trust is a company limited by guarantee and has no share capital. The liability of each Member in the event of winding-up is limited to £1.

#### 12 Related party and other significant transactions

During the period the Trust did not enter into any material transactions with related parties.

No entity is in a position of control or ultimate control over the Trust.

The BFI is an independent registered charity with objectives consistent with those of the Trust and is not considered to be a related party.



## **BFI TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

#### **13 Grant awards**

During the year the Trust awarded grants totalling £1,591,000 (2014: £950,000) to the BFI to support its charitable activities. The BFI is an independent registered charity, number 287780, with objectives in common with the BFI Trust.