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**The Services Sound and Vision  
Corporation**

Company Limited by Guarantee

Financial Statements

For the year ended

31 March 2016

Charity no 00233480  
Company no 00407270

# The Services Sound and Vision Corporation

## Financial Statements

For the year ended 31 March 2016

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Corporation registration number: 00407270 (incorporated in England & Wales)

Charity registration number: 00233480

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

Websites [www.ssvc.com](http://www.ssvc.com)  
[www.bfbs.com](http://www.bfbs.com)

Bankers: HSBC Bank plc  
65 Packhorse Road  
Gerrards Cross  
Bucks  
SL9 8PH

Solicitors: Bates, Wells and Braithwaite  
2-6 Canon Street  
London  
EC4M 67H

KLC Employment Law Consultants LLP  
Mill Pool House  
Mill Lane  
Godalming  
Surrey  
GU7 1EY

# **The Services Sound and Vision Corporation**

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For the year ended 31 March 2016

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**Investment managers:**

BlackRock Investment Managers  
12 Throgmorton Avenue  
London  
EC2N 2DL

J P Morgan Asset Management  
Finsbury Dials  
20 Finsbury Street  
London  
EC2Y 9AQ

M & G Investments  
Laurence Pountney Hill  
London  
EC4R 0HH

Investec  
2 Gresham Street  
London  
EC2V 7QN

**Independent auditor:**

Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
1020 Eskdale Road  
Winnersh  
Wokingham  
Berkshire  
RG41 5TS

# **The Services Sound and Vision Corporation**

## **Financial Statements**

For the year ended 31 March 2016

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## **Trustees Report**

### **The Strategic Report**

The Board of Trustees of The Services Sound and Vision Corporation ("SSVC") has pleasure in presenting its report on the activities and results for the year ended 31 March 2016.

#### **Achievements and performance**

The past year has seen SSVC continue to deliver its full range of contracted services to the MoD, whilst receiving consistent satisfaction ratings of over 90% in all audience surveys. In conjunction with this we have also started to seek out and secure alternative sources of funding to enable us to develop new and enhanced services for our beneficiaries. Successful services that have been launched based on new funding streams include our Covenant & Charities Multi Media team which has greatly increased our welfare reporting capability, our new 'Cinelink' service to provide films for personnel in locations overseas and our mobile cinema, 'Movie Machine' which will deliver free screenings for military audiences around the UK, supported by a commercial partner.

Whilst a range of new activities started during the year we also saw the closure of our SSVC Retail service in Germany in February 2016. This change was brought about by the continuing drawdown of personnel back to the UK and marked the end of 44 years of proud service to the Forces community in Germany.

Our highly successful 'Open Day' event did a great job in raising the profile of the welfare services we provide and the benefit they bring to our Forces beneficiaries. As a direct result of this event, we were delighted to be able to provide satellite dishes, boxes and equipment to enable access to BFBS TV for personnel deployed overseas in 20 new locations. These locations are typically remote, challenging and, at times, hostile and the boost to morale from having the BFBS TV service and its connection with home has proved to be a substantial one.

#### **BFBS Radio**

The impact of the earthquakes and aftershocks in Nepal in April and May 2015 touched Forces communities around the world and not least, our own BFBS Gurkha Radio team in Kathmandu and the surrounds. As an organisation, we came together first to ensure our own people were safe and then to keep the flow of information and support to the audience who were hungry for news from home. Extraordinary commitment and dedication to the audience has been shown by the whole team in Nepal who, in some cases, have also been dealing with family tragedy and damage to their own homes in the wake of the earthquakes.

This year we have been delighted to be able to complete the relocation and revamp of Radio stations in Catterick, Germany and Gibraltar each of which have been completely remodelled with excellent updated facilities and successfully moved with no breaks in programme output.

As ever, Christmas was an important focus for us, as we remember a busy, varied and quality-packed festive season and beyond. Although fewer service personnel are now on operations (and therefore separated from their families at this time), for those who are we still provide an important morale and welfare boost as we strive to bring people together.

Highlights included live recordings of both the SSAFA and Admiralty Christmas concerts, a Radio / TV simulcast on Christmas Eve and a New Year's Eve spectacular, co-presented by Tony Mortimer (East 17) and spiced up by house band, The (Doritos) Mariachis. Other BFBS Christmas productions included two episodes of our in house comedy sketch show, 'Damn the Torpedoes' and a 'Quiz of the Year.' Online, and BFBS Radio created the hugely successful John Lewis Christmas advert spoof, 'Man On The Chally'. It achieved a staggering half-million plus views on social media and our website and was awarded a Gold Evcom Screen award for its ingenuity.

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Highlighting the quality of our programmes and raising the profile of the military community as a result remains a priority and a motivator for our staff, wherever they are based. During 2015 we have highlighted 200 years of the Gurkhas, looking at their history and covering many of the bicentenary celebrations. 'Waterloo 200' was a home grown documentary incorporating a visit to the battle site, reliving the history of Wellington's victory and asked today's soldiers 'what does Waterloo mean to you?'.

'The Glasshouse – Shattering the Myths' gave us unique access to the Military Corrective Training Centre at Colchester, whilst 'Children of Belsen' heard the stories of those who survived the Bergen Belsen concentration camp under the supervision of the German SS, and tried to understand what liberation was really like for them. On a lighter note, we documented the training journey of the Gibraltar Field Gun Team in preparation for the HMS Collingwood competition, and illustrated how they embraced the inclusion of a BFBS presenter in 'Rock, Jock and One Smoking Barrel'. We also produced mini-documentaries on the Dunkirk landings, 70 years of BFBS in Germany and content to commemorate VJ Day. Our unique military international and current affairs programme, 'Sitrep', continued to engage with linear and podcasting audiences, discussing the issues that matter most to our communities.

*"Really quite enjoyed Sitrep on Thursday the 3rd. Very interesting topics and views. Really made my hour or so of admin bearable!!!" (Gnr Gaughan, 32 Regt, via e mail)*

As a result of the tremendous effort staff put in to telling these stories, we were delighted to pick up a record number of industry nominations and awards this year, including a Gold, three Bronze and four Highly Commended placings at the New York International Radio Festival, a Gold at the AIB awards, three Golds and a Silver at the Evcom and Evcom Clarions and a Gold at the Evcom Screen awards for the previously mentioned digital piece, 'Man on the Chally'.

Several members of our team were also awarded individual Commander's coins to recognise specific work done within military communities and we were proud to formally present the last of our operational service medals to staff who had deployed to Afghanistan during Operation HERRICK.

*"It's been 8 years since leaving the forces, listened to BFBS since week 1 day 1, continued to listen to BFBS in Afghanistan as a civilian contractor after leaving the Army, now my days of the military and desert are over I am living in Perth Australia, and I still continue to listen via the App at home and in the car, and will continue listening. Keep on doing a fantastic job for all the military and civilian contractors around the world. Kindest Regards, a happy listener..." (M Wright via e mail)*

We had a full programme of outside broadcasts and events to highlight as much as possible the great work being done by our audiences and the military communities – it's always a joy to get out of the studio and amongst the action. This year was no exception. We were at the Guildford Armed Forces Day, producing a record number of speech features and were able to reflect the very best of Forces sporting action, including rugby from Twickenham, T20 cricket from Lord's and the International Defence Rugby competition from The Stoop. Boxing, football and hockey also featured as well as our regular presence at the Armed Forces winter sports fixtures from Metibel. We were at a record number of Air Shows and open days as well as important unit events, exercises and displays.

*"The Rugby Tens committee and I are truly grateful for the outstanding support the BFBS Cyprus team has given us. They are an amazing bunch of individuals who collectively make an exceptional team who exemplify the commitment of BFBS to the UK Armed Forces at home and abroad. Please pass on my personal thanks to all involved." (Flt Sgt. Kevin Skinner for OC)*

We have continued to make messaging opportunities available to military audiences. Their ability to use BFBS to spread their word is an essential part of our service delivery. Through a variety of techniques (editorial, promotional, campaign and digital) at local and national level, we have been able to boost the understanding of thousands of events and initiatives. We have created around 430 specific messaging campaigns which include a focus on changes to military terms around housing & pay, mental health and domestic abuse support, research for women in ground/close combat roles and a range of campaigns to

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support forces charities and their work by and for our community have also featured as we strive to add value wherever we can.

*"Just a very quick email to thank you for your recent help with the RIFLES Keeping The Army in the Public Eye (KAPE) tour in the north of England.*

*I have heard today that the number of people who expressed an interest in being recruited to the Rifles whilst visiting the towns where the KAPE took place, was far in excess of previous similar events. Many when asked how they heard about the KAPE event, said they had heard about it from listening to BFBS!" (Bridget Dawson, Assistant Regimental Secretary, RHQ RIFLES)*

### BFBS Television

BFBS Television celebrated its 40th birthday this financial year, having started out on 18th September 1975, with an engineer playing out a video tape from a van in a car park in Celle, West Germany. Four decades on, BFBS Television provides up to 16 digital TV channels to ships and land bases spanning 15 timezones, delivered by every conceivable means including satellite, cable, DVD, terrestrial transmission and on-line to mobiles, tablets and PCs via the internet.

December 2015 was always going to be a month to remember, as we began broadcasting from our new automated Playout area, making the final step of the move to our new home after 10 years in our previous residence - the perfect milestone in our 40th year of operation. Our newly built, bespoke Ingest and Playout operation brings the technical delivery of BFBS TV - including DVD and Video on Demand - in line with industry standards and expectations. New workflows are constantly being developed as we strive to deliver the most up to date content to those serving overseas, meeting the expectations of the 21st century audience in the way they consume that content.

As the footprint of the Forces overseas changes from that of long term operational deployments in substantial numbers to smaller more 'expeditionary' deployments we have evolved the model for the delivery of BFBS TV accordingly. We now provide self-assembly satellite dishes, boxes, tools and TVs, together with instructions and training so that these can be quickly deployed at minimal cost. Over the last year, 20 of these kits have been supplied, very largely to the most challenging and remote operational locations for whom BFBS TV and the connection it brings to home is particularly highly valued. In addition we were pleased to provide a range of BFBS equipment in support of 'Arrcade Fusion', a large scale NATO exercise carried out in the Baltic States.

BFBS TV's 40th birthday was celebrated on BFBS Extra with 'viewer testimonials' - personal memories of using our services over the years - which were played as junction items in-between programmes on a special birthday weekend schedule of music and movies from our four decades on-air. The schedule began, 40 years to the very night, with 'Home on the Box' - a short documentary charting the history of BFBS TV, told through expanded interviews and clips from the SSVC archive. Audience feedback on social media from the wider Forces community around the world, before and after transmission, was incredibly complimentary and, at times, moving. 'Home on the Box' was conceived and produced entirely in house by the TV Presentation department, an impressive achievement within a tight timescale.

On the welfare front, BFBS TV has been working once again with The Electoral Commission in targeting service voter electoral roll registration, using the 'Ballot Box Man' TV short in the run up to the May Local Elections and the EU Referendum. In addition to this, the overseas audience has also had regular exposure to the short Ministry of Defence video explaining key changes to the way Armed Forces personnel get paid from April 2016 and where to find more information. Both resources appeared on BFBS Extra and BFBS Sport, the DVD service and the BFBS TV Facebook page.

Never to let a Valentine's, Mother's and Father's Day pass without notice, TV joined forces with BFBS Radio for live Sunday morning link-ups of dedications and messages. This successful vehicle allows UK radio to join with listeners and TV viewers overseas, plus there is the added on-line dimension of internet

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### **Report of the Board of Trustees**

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video via Facebook Live: an ever increasing social media presence where the audience interact with each other as well as the live show.

#### **Forces TV, News and Information**

Forces TV (which is paid for from our charitable reserves) produced around 50 hours of original programming this year as well as regular news updates seven days a week. This content is shared with all other platforms and has greatly enriched the MoD contracted services we provide.

A new look schedule was launched for the channel in March 2016 which combines our own, in-house produced, news content with an impressive mix of military-themed drama, comedy and documentaries acquired from elsewhere, including US Special Forces drama, 'The Unit', and classic comedies including 'M\*A\*S\*H', 'Hogan's Heroes' and 'Goodnight Sweetheart'. The revamped Forces TV has met with a positive response from our audiences, as has been demonstrated by continuing increases in viewing figures since the relaunch.

During the year our reporters have travelled extensively to cover the work of the British military overseas. We have been on exercises in Poland, Estonia, Germany, Kenya and the United States. The main current military operation involving British Forces is Op Shader, run from RAF Akrotiri in Cyprus. There has been limited access, on security grounds, to the RAF teams there but, nevertheless, our reporter there has conducted a number of interviews and regularly updated our viewers on the missions which have been flown.

One of the highlights of the year was our coverage of the severely wounded soldier Rick Clement, who had vowed to walk at the year's Remembrance ceremony in Blackpool. Our cameras followed him at key moments during his rehabilitation and preparation and covered him taking his first public steps.

Reporter Carla Prater travelled to Nepal to report on the British Army involvement in the rebuilding effort following the earthquake. We sent a team of four to cover the Invictus Games in Orlando where once again British athletes collected dozens of medals. A small team was also sent to cover the Winter Sports Championship in Meribel and Sky Sports provided us with a free feed of the Army Navy Game for UK and overseas TV viewers.

Special programmes have been broadcast around major events including the anniversary of the Battle of the Somme, the publication of the Chilcot Report, Remembrance Day and Armed Forces Day. To mark the Queen's 90th birthday, Buckingham Palace granted our cameras access to some of the military staff carrying out their Royal duties. Her Majesty also agreed to allow us to film a private audience with senior officers. For the first time, HRH Prince of Wales recorded a Christmas TV and radio message for the Forces Community. It was widely shared with other media outlets.

We were delighted to be successful in our application for a grant from the Armed Forces Covenant Team to increase reporting of welfare services. The award is worth £240,000 and allows us to employ two reporters, a producer and a VT Editor for a year to produce additional content for our own outlets and also for a network of military charities. We are very much hoping that this will be the start of working much more closely on communication needs across the military charity sector.

#### **Live Entertainment, Cinemas and the British Defence Film Library**

Our Combined Services Entertainment ('CSE') team delivered 29 live shows over the last year. Providing entertainment at Personnel Recovery Centres ('PRCs'), funded by grants from the SSVCT Trustees, remains our central activity and this year PRCs visited included those at Edinburgh, Catterick, Colchester, Germany, Devonport and Headley Court.

Activity has though now developed further to provide entertainment for a wider range of beneficiaries in the Forces community including a large scale families' day for HMS Ocean, a touring pantomime which



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visited forces schools in Germany and a homecoming event for HMS TORBAY. A particular highlight this year was the 'Festival of Thanks', the brainchild of a group of military wives who wanted an event to acknowledge the courage and endurance of the families of 33 Engineer Regiment who supported their partners and parents whilst away on Operational tours. CSE provided children's party entertainment, a circus skills workshop and a stage production featuring singer Sinead Quinn. The event was rounded off by a special appearance from Westlife heartthrob Brian McFadden.

*"Prior to speaking to CSE we had quite a few closed doors and were starting to feel a little demoralised. CSE brought us two things; firstly they delivered a top quality day that provided something for everyone, but more importantly for us as the organisers of the event they saw our vision and engaged with the story of the day. The level of professionalism and the quality of the acts and production reinforced the message that we were trying to send which was that although military families are in the background of the big things that happen they are worthy of respect and acknowledgement. The children were entranced by Sinead Quinn. The women were blown away by Brian McFadden, he made everyone feel so special both through his singing and the extra time he gave afterwards. Through the whole process CSE reassured us and reinforced the validity of our event. We could have produced the event without CSE but as inexperienced volunteers it would have taken an awful lot more time and money and even then it wouldn't have been as seamless and wonderful and we wouldn't have had the opportunity to share the event with an organisation who brought much more to the table than just the services they provided." (Ange Leinster, project leader Festival of Thanks).*"

CSE received a Highly Commended award from EVCOM in the 'Internal Engagement' category for work on this event and were very humbled to have been able to collaborate with such an inspirational community.

The Cinemas team continue to maintain close relationships with the film industry in order to access and distribute cinema release content to the British Forces wherever required and in the context of best value. This means we have been able to offer a number of premier and charity screenings, supporting good causes, serving the military community and keeping the individual cinema profiles high within the respective locations. We have invested in a new ticketing, asset management, billing and royalty reporting system which has rolled out to each of our 14 static cinema locations.

We have also been carefully planning our future, where reductions in the numbers of troops overseas has been reflected in the reducing numbers of digital cinemas within our network. The impact of the Germany drawdown has been particularly poignant and this year has seen us reduce to just 2 screens there. However, a new model for us, with easy to use technology providing content to small and remote communities – without the need for expensive cinema projectors – has focussed the team's strategic thinking. With negotiations now complete, we have rolled out our new Cinelink solution to a dozen locations – with more to come. We believe this new approach will allow us to continue to deliver services for years to come, right where it's needed most and to places where our previous model would not have worked, or have been unaffordable. As an example, the deployment of these easy to set up boxes, connected to TVs or bigger screen domestic projectors ensured screenings of the new Bond film, 'Spectre', in Afghanistan, the Middle East and Kenya, just after UK release and much to the delight of the audiences, providing a real boost to morale at Christmas.

*"Without doubt the ability to screen the latest films using Cinelink is making the soldiers feel valued; they are seeing the latest films because they perceive that the Chain of Command cares. The cinema evenings/ screenings have been a resounding success throughout BATUK; we cannot praise it highly enough." (Maj I Breach, HQ Kenya).*

We are absolutely delighted too to have secured a commercial partnership which will allow our 80 seat mobile cinema 'The Movie Machine' to deliver free screenings for military audiences around the UK, in return for providing a limited number of day's marketing activity – at their own public events – for the commercial sponsor.

The British Defence Film Library ('BDFL') continues to provide a valued service and, this year, issued 52,517 units of essential training material to the Forces worldwide.

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### Report of the Board of Trustees

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#### SSVC Welfare Fund and the BFBS 'Big Salute' Campaign

Direct grants paid from the SSVC Welfare Fund totalled £198,107, including:

- Sponsorship of Combined Services Sport across a wide range of events – Athletics, Cricket, Hockey, Tennis, Netball, Squash and Snowboarding together with the staging of the annual Combined Services Sports Awards event.
- TVs & games consoles for the UK Community Centres at the Combined Air Operations Centre and at the Special Investigation Branch RMP in Germany
- Satellite dishes, boxes and games consoles for the Princess Marina House holiday apartments for serving RAF families.
- Live entertainment shows in Personnel Recovery Centres and at the Royal Chelsea Hospital.
- Sponsorship of the Army Reserves expedition to the South Pole.
- Training equipment for the RAF Fire & Rescue Service Rugby Club in Manston.
- TV projector for the Corporals' Club in Brunei.
- 3 TVs for the 207 Field Hospital
- Satellite TV points and installation for the Royal Marines Commando Training Centre.
- Sponsorship for Expedition Aphrodite in Nepal for the Joint Signal Service Unit.
- Audio Visual equipment for 42nd Infantry Brigade, HMS Montrose, 1st Queen's Dragoon Guards, RFA Lyme Bay, 1st Battalion Welsh Guards and the Royal Highland Fusiliers.

Separately from SSVC welfare grants, BFBS's 'Big Salute' campaign succeeded in raising £48,000 through the combined efforts of BFBS broadcasters and the local military communities they serve throughout the world. These funds will be shared among 5 forces charities, BLESMA, Combat Stress, Blind Veterans UK, Veterans Aid and Family Activity Breaks – an organisation that provides holidays for bereaved military families.

#### Financial Review

The incoming resources of the charity decreased to £25,227,000 (2015: £29,518,000) largely due to the end of funding for services in support of combat operations in Afghanistan on 31 December 2014 as well as the impact of the wind down of Retail services in Germany. Taken together with earlier MoD budget cuts, incoming resources have now reduced by £13.0m over the last 7 years (2009: £38,224,000).

The charity's reorganisation and expense reduction programme, together with savings in reducing the scope of services in Afghanistan, ensured that total resources expended before other recognised gains / losses costs of £24,961,000 decreased by £2,783,000 compared to prior year (2015: £27,744,000). The overall impact of the reorganisation of the charity's cost base is reflected in a £10.4m reduction in cost over the last 7 years (2009: £35,390,000).

The actuarial loss on the defined benefit pension scheme was £1,022,000 (2015: loss of £27,000) which contributed to a deficit for the year of £1,108,000 (2015: surplus of £1,933,000).

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Our Trustees continue to pursue a policy of de-risking the SSVC Final Salary Pension Scheme so as to ensure that the scheme is in a position to meet all its future commitments to members in full. The liabilities in the scheme have increased significantly due to prevailing low interest rates and gilt yields which means that the cost of completing the de-risking work through a buy out of the scheme is now estimated at £17m. Plans to proceed with this transaction are under consideration which would, based on current estimates, reduce reserves from £38,582,000 as at 31 March 2016 to closer to £21m.

#### **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 seek to build on the success we have achieved in the last year in developing and delivering new services for the Forces, 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 SSVC 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.

The majority of the reserves of the charity were held in five investment funds and the Investment Committee monitors their performance regularly. The Board approves all changes to the investment policy, following proposals by the Investment Committee.

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 2016, far in excess of the minimum contractual level required of the charity by the MoD.

SSVC 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 SSVC 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. SSVC will not invest directly in derivatives, or in unquoted securities, physical assets or property and will not engage in stock lending or underwriting.

The Investment Committee has considered the available options for investing surplus funds and has continued to engage the services of charity fund 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.

During the year, there was a decrease in the market value of the investment portfolio to £25,440,000 (2015: £26,009,000), down 2.2%. This was driven by the volatility in equity markets during the year and compares favourably to its benchmark of total return of the FTSE All Share Index which declined by 3.9%. The Investment Committee considers that the performance of its funds was in line with other funds with a similar risk profile.

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## **Report of the Board of Trustees**

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### **Principal risks and uncertainties**

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

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

The principal risks and uncertainties are as detailed below.

### **MoD Funding**

There is a risk that future cuts in MoD funding could compromise the charity's ability to deliver services to the Forces and their families, our beneficiaries. This risk is highlighted further by the fact that the services deliverable under our Broadcasting Contract are subject to change, up or down, at the discretion of the MoD.

To mitigate this risk, 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 customers, the members of the Forces, are clearly understood. Alongside this, contingency plans detailing options are reviewed by the Board on a regular basis so as to minimise the impact on services of any future funding cuts.

### **Pension Scheme Funding**

There is a risk that SSVC's Final Salary Pension Scheme could move into a deficit under which circumstances the Charity would be obliged to fund the shortfall.

To address this the Board has actively pursued a policy of 'derisking' through a series of actions including the closure of the scheme to future service accrual in April 2009 and the completion of a Buy In transaction to cover all the liabilities of the section of the scheme for ex MoD employees in September 2014.

Plans for the final step in the strategy, namely a full Buy Out of the scheme, are now under consideration. The premium for this transaction would be funded from Reserves and, in doing so, risks relating to the funding of the Pension Scheme would be entirely removed.

### **Technology Investment**

There is a risk that, without sufficient investment in technology and cyber security in respect of both equipment and expertise, the Charity could be (a) unable to deliver all the services required by the MoD and (b) less well placed to bid and win new work.

To mitigate this risk the Board have implemented a substantial programme of investment 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.

### **Reserves policy**

At 31 March 2016, the charity held 'unrestricted funds – other charitable funds' totalling £38,582,000 (2015: £39,690,000). 'Unrestricted funds' consists of a reserve accumulated over a number of years and is available to be distributed by way of grants. The charity's policy includes an intention to maintain sufficient reserves to fund all future liabilities in respect of SSVC's pension scheme, including those in relation to a future buy out of the scheme. As explained under the Financial Review section of this report, the Trustees estimate the portion of reserves to be set aside to address all future pension scheme liabilities at £17m.

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The charity has considerable financial resources at its disposal and its operations are underpinned by long term contracts with the MoD. The nature of these contracts 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. As a consequence, the Trustees believe that the charity is well placed to manage its operational risks successfully, despite the current uncertain economic outlook in the light of the UK's planned exit from the EU.

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

#### **Financial risk management objectives and policies**

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

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

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

#### **Market risk**

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

#### **Liquidity risk**

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

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

#### **Currency risk**

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

#### **Interest rate risk**

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

#### **Credit risk**

The charity's trade debtors 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 2016 was 9 (2015: 10).

### Our Aims and Objectives

Our charity's aims, as described in the Memorandum and Articles of Association, which was last updated in March 2009, are to promote the efficiency of HM Armed Forces ("the Forces") through the provision of services related to education, training, entertainment and welfare.

### How our activities deliver public benefit

Our beneficiaries are the members of the Forces and their families and we deliver benefit to them through:

- The provision of dedicated radio and TV channels whilst stationed or deployed abroad under the British Forces Broadcasting Service banner
- The provision of local radio channels in military bases in the UK together with a national BFBS service on digital radio
- The provision of a national UK TV channel, "Forces TV", broadcast on Sky, Virgin and Freesat
- Showing films through a network of a cinemas located in military bases in the UK and overseas
- Staging 'one-off' entertainment shows
- The distribution of Ministry of Defence training films and
- The provision of welfare grants to the Forces for worthy causes linked to their education, training and entertainment.

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.

### 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 six 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

## The Services Sound and Vision Corporation

### Report of the Board of Trustees

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- welfare fund committee - meets as and when required to deal with requests received and reports to the Board at each Board meeting.

A Chief Executive is appointed by the Board to manage the day-to-day operations of the Charity. The other members of the Executive Team (see page 39) assist the Chief Executive.

#### **Directors**

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

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

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

The membership of the Board is set out below:

Air Vice-Marshal Andrew Vallance - chairman of the Charity, chairman of remuneration and nomination committees

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

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

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

Major General Chris Wilson – chairman of welfare fund committee and member of investment and audit committees

Maggie Carver – member of remuneration, nomination and audit committees

Stewart Purvis

Mark Browning

Clare Colacicchi – resigned 11 February 2016

Rear Admiral Anthony Rix - appointed 11 February 2016

Deborah Loudon – appointed 22 September 2016

#### **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.

## The Services Sound and Vision Corporation

### Report of the Board of Trustees

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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 considered to be a worthy cause and is within the terms of the objectives of the charity. During the financial year, 28 applications for grants were received, all of which were either partially or fully awarded. The average value of grants made during the year was £7,075.

#### **Principal funding sources**

The charity is principally funded through contracts with the MoD.

#### **Employee involvement**

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

#### **Disabled workers**

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

#### **Statement of Trustees' responsibilities**

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

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

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

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

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



## The Services Sound and Vision Corporation

### Report of the Board of Trustees

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In so far as each of the Trustees is aware:

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

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

#### **Auditor**

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

On behalf of the Board



Air Vice-Marshal Andrew Vallance  
Trustee

Date: 6 December 2016

## Independent auditor's report to the members of The Services Sound and Vision Corporation

We have audited the financial statements of The Services Sound and Vision Corporation for the year ended 31 March 2016 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), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.

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

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, 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. 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 31 March 2016 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report (including the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Independent auditor's report to the members of The Services Sound and Vision Corporation

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

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

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



**Mark Bishop**

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Reading

Date: 19 DECEMBER 2016

# The Services Sound and Vision Corporation

## Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 31 March 2016

	Note	2016 £'000	2015 (restated) £'000
<b>Incoming resources</b>			
Investment income	5	895	1,005
Voluntary income	1	189	192
Incoming resources from charitable activities	1	<u>24,143</u>	<u>28,321</u>
<b>Total incoming resources</b>		<b>25,227</b>	<b>29,518</b>
<b>Resources expended</b>			
Investment management costs		(136)	(134)
Costs in respect of charitable activities	2	(24,609)	(27,392)
Governance costs	2	<u>(216)</u>	<u>(218)</u>
<b>Total resources expended</b>		<b>(24,961)</b>	<b>(27,744)</b>
<b>Operating surplus before other recognised gains and losses</b>		<b><u>266</u></b>	<b><u>1,774</u></b>
<b>Other recognised gains/(losses):</b>			
Fair value movements on foreign currency forward contracts	20	1,105	(1,222)
Unrealised (loss)/gain on investments	8	(1,457)	1,408
Actuarial loss on defined benefit pension scheme	14	<u>(1,022)</u>	<u>(27)</u>
<b>Total other recognised gains/(losses)</b>		<b>(1,374)</b>	<b>159</b>
<b>Net movement in funds</b>		<b><u>(1,108)</u></b>	<b><u>1,933</u></b>
<b>Reconciliation of funds:</b>			
Total funds brought forward		<u>39,690</u>	<u>37,757</u>
<b>Total funds carried forward</b>		<b><u>38,582</u></b>	<b><u>39,690</u></b>

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

All funds are unrestricted.

All operations are classed as continuing.

The accounting policies and notes on pages 19 to 37 form an integral part of these financial statements

# The Services Sound and Vision Corporation

## Balance Sheet

For the year ended 31 March 2016

	Note	2016 £'000	2015 (restated) £'000
<b>Fixed assets</b>			
Tangible assets	7	9,077	9,139
Investments	8	25,440	26,009
		<b>34,517</b>	<b>35,148</b>
<b>Current assets</b>			
Stock and work in progress	9	-	315
Debtors	10	3,982	4,111
Investments – bank deposits		3,339	5,110
Cash at bank and in hand		945	844
		<b>8,266</b>	<b>10,380</b>
<b>Creditors: amounts falling due within one year</b>	11	<b>(4,209)</b>	<b>(5,861)</b>
<b>Net current assets</b>		<b>4,057</b>	<b>4,519</b>
<b>Total assets less total liabilities excluding pension scheme asset</b>		<b>38,574</b>	<b>39,667</b>
Pension asset	14	8	23
<b>Total assets less total liabilities including pension scheme asset</b>		<b>38,582</b>	<b>39,690</b>
<b>Funds of the charity</b>			
Total Unrestricted charitable funds	13	38,582	39,690

All funds are unrestricted.

The financial statements were approved by the Board on 6 December 2016



Air Vice-Marshal Andrew Vallance  
Trustee

Charity no: 00233480  
Company no: 00407270

The accounting policies and notes on pages 19 to 37 form an integral part of these financial statements

# The Services Sound and Vision Corporation

## Cash Flow Statement

For the year ended 31 March 2016

	2016 £'000	2015 £'000
<b>Cash flows from operating activities</b>		
Net movement in funds	266	1,774
<b>Adjustments for:</b>		
Depreciation of tangible assets	1,607	1,395
Profit on disposal of tangible assets	(12)	(9)
Profit on disposal of investments	(34)	(20)
Decrease in stocks	315	300
Interest income	(40)	(224)
Dividends received	(855)	(781)
Decrease in debtors	265	517
Decrease in creditors	(683)	(1,340)
Movement related to defined benefit pension scheme	(1,022)	(27)
<b>Net cash generated from operating activities</b>	<b>(193)</b>	<b>1,585</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,823)	(3,835)
Sale of tangible fixed assets	290	109
Purchase of investments	(1,150)	(1,164)
Sale of investments	295	385
Sale of deposits	1,787	2,120
Interest income	40	224
Dividends received	855	781
<b>Net cash (used in)/from investing activities</b>	<b>294</b>	<b>(1,380)</b>
<b>Net increase in cash and cash equivalents</b>	<b>101</b>	<b>205</b>
Cash and cash equivalents at beginning of year	844	639
<b>Cash and cash equivalents at the end of year</b>	<b>945</b>	<b>844</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	945	844

The accounting policies and notes on pages 19 to 37 form an integral part of these financial statements

## **The Services Sound and Vision Corporation**

### **Principal accounting policies**

For the year ended 31 March 2016

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#### **Accounting convention**

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

The financial statements have been prepared in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

The charity has not prepared consolidated accounts on the grounds that its subsidiary undertaking is immaterial to the charity and group's overall results. Please see further details of this subsidiary in note 15.

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

#### **Going concern**

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

#### **Functional and presentational currency**

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

#### **Significant judgements and estimates**

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

##### **Revenue recognition**

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

##### **Useful economic lives of operational fixed assets**

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

## **The Services Sound and Vision Corporation**

### **Principal accounting policies**

For the year ended 31 March 2016

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#### **Accounting for defined benefit pension scheme**

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

#### **Valuation of foreign currency forward contracts**

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

#### **Transition to FRS 102**

The charity transitioned from the previously applicable UK Generally Accepted Accounting Principles (GAAP) to FRS 102 as at 1 April 2014.

In preparing the accounts the Trustees have considered whether the restatement of comparative items was required in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102.

In accordance with the requirements of FRS 102 and the Charities SORP FRS 102, details of any such restatements made, along with a reconciliation of opening balances at 1 April 2014 and 31 March 2015, is provided in Note 20 of the financial statements.

#### **Restatement of comparative figures for 2015**

All relevant comparative figures for 2015 have been restated for the Charities SORP FRS 102 adjustments detailed in Note 20.

### **Incoming resources and revenue recognition**

#### **Income recognition**

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

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

#### **Investment income**

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

#### **Voluntary income**

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

#### **Resources expended**

Liabilities are recognised as resources expended as soon as the charity has a legal or constructive obligation committing the charity to the expenditure. Resources expended are included in the Statement of Financial Activities ("SOFA") on the accruals basis, inclusive of any VAT which cannot be recovered. Resources expended under charitable activities include all costs incurred by the charity in the delivery of goods and services directed at the achievement of its charitable objectives. These are disclosed in further detail in note 2 to the financial statements.



## The Services Sound and Vision Corporation

### Principal accounting policies

For the year ended 31 March 2016

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#### **Grants made**

Grants are expensed to the Statement of Financial Activities 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.

#### **Tangible fixed assets and depreciation**

Individual fixed assets costing greater than £500 are capitalised at cost.

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

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

Assets in the course of construction are not depreciated.

Equipment costs which are not financed by current year income from the MoD are capitalised at cost.

Depreciation on assets is applied from the date the asset becomes available for use.

#### **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 Statement of Financial Activities.

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.

#### **Stock and work in progress**

Stock is stated at the lower of cost and net realisable value. Cost means purchase price including transport and handling costs, less trade discounts, calculated on a weighted average basis. Net realisable value means estimated selling price (less trade discounts) less all costs to be incurred in marketing, selling and distribution.

#### **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Prepayments are value at the amount prepaid net of any trade discounts. Accrued income represents income receivable in respect of services provided.

#### **Cash and liquid assets**

Cash at bank and cash holdings within the investment portfolio includes cash and short-term highly liquid investments with an original maturity date of three months or less.

The Trustees consider both cash held within its own bank accounts and balances held by our Investment Managers when considering the liquidity of the charity.

## The Services Sound and Vision Corporation

### Principal accounting policies

For the year ended 31 March 2016

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#### **Liabilities**

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

#### **Foreign currencies**

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

#### **Operating lease commitments**

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

#### **Defined benefit pension benefits**

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

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

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

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

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

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

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

The net interest on the net defined benefit liability is determined by multiplying the net defined benefit liability by the discount rate, both as at the start of the annual reporting period, taking account of

## The Services Sound and Vision Corporation

### Principal accounting policies

For the year ended 31 March 2016

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any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

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

Remeasurement of the net defined benefit liability comprises:

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

### Defined contribution pension scheme

The charity recognises the contribution payable for a period;

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

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

### Taxation

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

### Forward currency contracts

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

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

### Financial liabilities and equity instruments

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

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

# The Services Sound and Vision Corporation

## Notes to the Financial Statements

For the year ended 31 March 2016

### 1 Incoming resources

#### 1.1 Incoming resources from charitable activities

The income for the year was attributable to the charity's objects as described in its Memorandum of Association.

Incoming resources receivable from charitable trading activities during the year were as follows:

	2016 £'000	2015 £'000
Incoming resources from charitable activities	<u>24,143</u>	<u>28,321</u>

The majority of the income resulted from activities delivered overseas.

During the period, the charity had contracts with the MoD for the provision of television, radio and library and film distribution services. These activities accounted for approximately 94% (2015: 90%) of the total income for the year.

Services and supplies provided to the Forces on operations or stationed overseas, but not under contract to the MoD, include electrical retail sales and support in Germany, distribution of film and audio material, together with the operation and management of 14 Forces cinemas (2015: 17) located in Germany, Cyprus, The Falkland Islands and the United Kingdom.

#### 1.2 Voluntary Income

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

### 2 Resources expended

Resources expended in:	Grants £'000	Direct costs £'000	Support costs £'000	Other costs £'000	2016 Total £'000	2015 Total (restated) £'000
Costs paid to external parties in respect of charitable activities		20,951	3,460		24,411	27,224
External grants made in respect of specific requests (note 4)	198				198	168
	<u>198</u>	<u>20,951</u>	<u>3,460</u>	<u>-</u>	<u>24,609</u>	<u>27,392</u>

# The Services Sound and Vision Corporation

## Notes to the Financial Statements

For the year ended 31 March 2016

### Resources expended (continued)

External grants are analysed further in note 4 and are discussed in the Report of the Board of Trustees.

Support costs were incurred as follows:

	2016	2015
	£'000	(restated) £'000
Staff costs	1,490	1,401
Depreciation	15	8
Other support costs	1,955	1,521
	<u>3,460</u>	<u>2,930</u>

### Resources expended in Governance costs

Governance costs total £216,166 (2015: £217,673) and include £168,550 (2015: £177,193) in respect of a proportion of senior management remuneration.

### Net incoming resources

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

	2016	2015
	£'000	£'000
Auditor's remuneration		
- Fees payable for the audit of the charity's annual accounts	27	26
- Fees payable for taxation compliance services	1	1
Depreciation of owned fixed assets (excluding buildings)	1,594	1,390
Depreciation of buildings	13	5
Hire of plant and machinery	81	187
Other operating leases	326	370
Foreign exchange loss	264	201
Profit on disposal of tangible fixed assets	(12)	(9)
Profit on disposal of investments	(59)	(20)
Trustee and employee costs (see note 3)	<u>9,910</u>	<u>10,078</u>

## The Services Sound and Vision Corporation

### Notes to the Financial Statements

For the year ended 31 March 2016

#### 3 Trustees and employees

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

	2016 £'000	2015 £'000
Wages and salaries	8,255	8,376
Social security costs	747	752
Defined contribution pension costs	896	938
Pension current service costs (note 14)	12	12
	<u>9,910</u>	<u>10,078</u>

The average number of employees of the charity during the year was 219 (2015: 237).

	2016 Number	2015 Number
Activities in furtherance of the charity's objects	208	225
Management and administration	<u>11</u>	<u>12</u>
	<u>219</u>	<u>237</u>

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

No Trustees or persons with a family or business connection with a Trustee, received remuneration or benefits in the year, directly or indirectly, from the charity. An amount of £1,858 for expenses (2015: £1,465) was reimbursed to 5 Trustees (2015: 4).

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

	2016	2015
£60,001 - £70,000	6	7
£70,001 - £80,000	2	2
£80,001 - £90,000	1	-
£90,001 - £100,000	2	2
£100,001 - £110,000	-	3
£110,001 - £120,000	3	-
£150,001 - £160,000	<u>-</u>	<u>1</u>

Contributions totalling £76,813 (2015: £86,173) were paid in respect of 13 (2015: 15) higher paid employees in the year relating to the defined contribution scheme.

# The Services Sound and Vision Corporation

## Notes to the Financial Statements

For the year ended 31 March 2016

### Trustees and employees (continued)

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 £682,086 (2015: £674,584).

#### 4 Grant payments

External grants have been made to the following institutions during the year, in pursuance of the charity's objectives:

	2016 £'000	2015 £'000
Digitisation of Forces Cinemas	-	25
Royal Navy	15	14
Afghanistan	-	5
Combined Services Sports	60	60
CSE Personnel Recovery Centres	61	29
Other grants made to the Forces	62	35
	<u>198</u>	<u>168</u>

#### 5 Investment income

	2016 £'000	2015 £'000
Interest receivable on short term deposits	40	224
Dividends and interest receivable from fixed asset investments	855	781
	<u>895</u>	<u>1,005</u>

#### 6 Interest payable

	2016 £'000	2015 £'000
Interest on pension scheme liabilities (note 14)	<u>2,411</u>	<u>2,933</u>

# The Services Sound and Vision Corporation

Notes to the Financial Statements

For the year ended 31 March 2016

## 7 Tangible fixed assets

	Leasehold long-term	Leasehold short-term	Equipment	Assets under the course of construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2015	983	311	12,159	2,863	16,316
Additions	-	-	30	1,793	1,823
Disposals	(973)	(305)	(3,080)	(278)	(4,636)
Transfers	127	-	898	(1,025)	-
At 31 March 2016	137	6	10,007	3,353	13,503
Depreciation					
At 1 April 2015	970	311	5,896	-	7,177
Provided in the year	13	-	1,594	-	1,607
Disposals	(973)	(305)	(3,080)	-	(4,358)
At 31 March 2016	10	6	4,410	-	4,426
<b>Net book amount at 31 March 2016</b>	<b>127</b>	<b>-</b>	<b>5,597</b>	<b>3,353</b>	<b>9,077</b>
Net book amount at 31 March 2015	13	-	6,263	2,863	9,139



# The Services Sound and Vision Corporation

## Notes to the Financial Statements

For the year ended 31 March 2016

### 8 Investments

	2016 £'000	2015 £'000
At 1 April 2015	26,009	23,793
Additions	1,149	1,164
Disposals	(261)	(356)
Increase / (Decrease) in market value	<u>(1,457)</u>	<u>1,408</u>
At 31 March 2016	<u>25,440</u>	<u>26,009</u>
Investments are analysed further as:		
UK equities (listed)	19,505	20,041
Overseas equities (listed)	5,882	5,908
Fixed interest and cash	<u>53</u>	<u>60</u>
	<u>25,440</u>	<u>26,009</u>

Listed investments are stated at their mid-market values as at the balance sheet date.

If the investments had not been revalued, they would have been included on the historical cost basis at the following amount:

	2016 £'000	2015 £'000
Cost	<u>11,912</u>	<u>11,210</u>

### 9 Stock and work in progress

	2016 £'000	2015 £'000
Stock for resale	<u>-</u>	<u>315</u>

### 10 Debtors

	2016 £'000	2015 £'000
Trade debtors	2,857	3,077
Amounts owed by subsidiary (note 19)	25	-
Other debtors	11	-
Prepayments and accrued income	953	1,034
Fair value of foreign currency forward contracts	<u>136</u>	<u>-</u>
	<u>3,982</u>	<u>4,111</u>

# The Services Sound and Vision Corporation

## Notes to the Financial Statements

For the year ended 31 March 2016

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

	2016 £'000	2015 £'000 (restated)
Trade creditors	1,281	1,728
Social security and other taxes	665	746
Other creditors	100	100
Accruals and deferred income	2,092	2,195
Amounts owed to subsidiary (note 19)	-	50
Contribution owed to defined contribution pension scheme	71	73
Fair value of foreign currency forward contracts	-	969
	<b>4,209</b>	<b>5,861</b>

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

	£'000
Deferred income at 1 April 2015	150
Amounts recognised in the current year	-
Amounts deferred in the current year	495
	<b>645</b>
Deferred income at 31 March 2016	

### 12 Financial instruments

	2016 £'000	2015 £'000
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	25,576	26,009
Financial assets that are debt instruments measured at amortised cost	2,893	3,077
	<b>28,333</b>	<b>29,086</b>
<b>Financial Liabilities</b>		
Financial liabilities measured at fair value through profit or loss		(969)
Financial liabilities measured at amortised cost	(2,828)	(3,923)
	<b>(2,828)</b>	<b>(4,892)</b>

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

# The Services Sound and Vision Corporation

## Notes to the Financial Statements

For the year ended 31 March 2016

### Financial instruments (continued)

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 listed investments and foreign currency forward contracts. Listed investments are stated at their mid-market values as at the balance sheet date. The foreign currency forward contracts have been fair valued using observable forward exchange rates corresponding to the maturity of the contract.

### 13 Unrestricted funds

	Income and expenditure £'000
<b>At 1 April 2014</b>	37,757
Surplus for year	1,774
Fair value movements on foreign currency forward contracts	(1,222)
Gain on investments	1,408
Actuarial loss relating to pension schemes	(27)
<b>At 31 March 2015</b>	<b>39,690</b>
Surplus for year	266
Fair value movements on foreign currency forward contracts	1,105
Loss on investments	(1,457)
Actuarial loss relating to pension schemes	(1,022)
<b>At 31 March 2016</b>	<b>38,582</b>

## The Services Sound and Vision Corporation

### Notes to the Financial Statements

For the year ended 31 March 2016

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#### 14 Pensions and other post-retirement benefits

The charity has a defined benefit pension scheme in the United Kingdom, for the benefit of the employees. The assets of the scheme are administered by Trustees in a fund independent from the assets of the charity and invested directly on the advice of the independent professional investment managers. The assets of the scheme are held in a Managed Fund for whom the equity managers are Legal & General Investment Management Limited, Mirabaud Investment Management Limited, Insight Investment Management (Global) Limited, August Equity Limited and ING Real Estate Limited. The Fixed Interest Manager is Credit Suisse Asset Management Limited.

On 30 April 2009, the pension scheme was closed to further accrual to all members other than Active BFBS members. The present value of the asset arising from future service by current and future scheme members is approximately £8,000 at 31 March 2016 (2015: £23,000). The surplus is recoverable through reduced contributions in the future under the specific guidance as set out in FRS 102. The initial surplus as calculated under FRS 102 of £18,214,000 has been de-recognised down to a value of £8,000 at 31 March 2016 (2015: £15,514,000 had been de-recognised down to a value of £23,000).

The treatment of pension costs in these financial statements is in accordance with the provisions of FRS 102.

The total pension cost to the charity was £12,000 (2015: £12,000) as disclosed in note 3. The pension cost is assessed in accordance with the advice of an independent qualified actuary.

The employer's best estimate of contributions to be paid to the scheme in respect of the next accounting period is £13,000.

The scheme is divided into two parts; a main scheme and a separate section representing the BFBS ex civil servants who joined the charity from the Ministry of Defence in 1983. The market value of the combined assets of the schemes as at 31 March 2016 amounted to £92,452,000 (2015: £95,123,000).

#### Pensions

During the year ended 31 March 2016, the charity paid normal contributions to the scheme at the rate of 44.1% of Pensionable Salaries in respect of Active ex-Ministry of Defence BFBS Members.

As the section of the scheme relating to ex-Ministry of Defence BFBS Members is closed to new entrants, the current service cost for members will increase as they approach retirement.

During the year, the charity paid special contributions to the scheme of £1,000,000 (2015: £nil).

On 30 April 2009, the pension scheme was closed to further accrual to all members other than Active BFBS members. The present value of the liability arising from future service by current and future scheme members is approximately £8,000 at 31 March 2016. The surplus is therefore considered to be recoverable at this amount through reduced contributions in the future under the specific guidance as set out in FRS 102.

# The Services Sound and Vision Corporation

## Notes to the Financial Statements

For the year ended 31 March 2016

### Pensions and other post-retirement benefits (continued)

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

	2016 £'000	2015 £'000
Equity and property	20,339	23,163
Bonds	71,188	64,143
Cash	925	1,782
Total market value of assets	92,452	95,123
Actuarial value of scheme liabilities	(74,238)	(79,586)
Net pension asset before de-recognition	18,214	15,537

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

The amounts to be recognised in the SOFA for the year ended 31 March 2016 are as follows:

	2016 £'000	2015 £'000
Current service cost	14	12
Administrative expenses	252	411
Recognised in arriving at operating profit	266	423
Interest on pension scheme liabilities	2,412	2,933
Expected return on scheme assets	(2,411)	(2,945)
Total recognised in the profit and loss account	267	411

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

	2016 £'000	2015 £'000
Actual return less expected return on pension scheme assets	(2,369)	5,354
Expected less actual from expenses	(101)	-
Experience gains and losses arising on pension scheme liabilities	1,743	609
Change in assumptions underlying the present value of scheme liabilities	2,397	(10,473)
Change in non-recoverable surplus	(2,692)	4,483
Net actuarial loss recognised	(1,022)	(27)

# The Services Sound and Vision Corporation

## Notes to the Financial Statements

For the year ended 31 March 2016

### Pensions and other post-retirement benefits (continued)

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

	2016 %	2015 %
Rate of increase in salaries	2.5	2.2
Rate of increase for pension in payment: SSVC members		
RPI maximum 3%	2.40	2.35
RPI maximum 5%	2.95	2.90
RPI maximum 2.5%	2.10	2.10
CPI no maximum	2.00	1.95
Discount rate	3.35	3.10
Inflation – RPI assumption	3.00	2.95
Inflation – CPI assumption	2.00	1.95

The underlying mortality assumption is based upon the standard table known as the SAPS Lighter mortality table, with the CMI\_2009 allowance for future improvements and a long term rate of improvement of 1.25% p.a. (2015: 1.25%).

The last full actuarial valuation was carried out for the Trustees of the Pension Fund as at 31 March 2016 and was used, updated for current membership data, by the actuary for the disclosure requirements of FRS 102 Section 28 'Employee Benefits' as at 31 March 2016.

Changes in the present value of the defined benefit obligations for the year ended 31 March 2016 are as follows:

	2016 £'000	2015 £'000
Present value of scheme obligations at beginning of year	79,586	69,629
Current service cost	14	12
Past service cost	-	-
Employee contributions	2	2
Interest cost	2,411	2,933
Benefits paid	(4,140)	(2,854)
Actuarial gains and losses	(3,635)	9,864
Present value of scheme obligations at end of year	74,238	79,586

## The Services Sound and Vision Corporation

### Notes to the Financial Statements

For the year ended 31 March 2016

#### **Pensions and other post-retirement benefits (continued)**

Changes in the fair value of the scheme assets for the year ended 31 March 2016 are as follows:

	2016 £'000	2015 £'000
Market value of scheme assets at beginning of year	95,123	89,087
Interest on plan assets excluding non-irrecoverable surplus	2,412	2,934
Return on assets, less interest included in Statement of financial activity	(2,369)	6,021
Benefits paid	(3,635)	(2,854)
Contributions paid by the charity	1,272	430
Employee contributions	2	2
Admin expenses	(353)	(497)
Market value of scheme assets at end of year	<u>92,452</u>	<u>95,123</u>

#### **15 Subsidiary undertaking**

	2016 £	2015 £
Ordinary £1 shares	<u>2</u>	<u>2</u>

The subsidiary of the corporation, SSVB Broadcasting Limited, an entity incorporated in England and Wales, is wholly owned by the charity. The company traded as a provider of broadcast services during the year ended 31 March 2016. Its result for the year, was a net result of £nil (2015: £nil). Capital and reserves at 31 March 2016 were £2 (2015: £2). See note 19 for details of related party transactions.

#### **16 Contingent liabilities**

A contingent liability of £150,000 existed at 31 March 2015 in respect of a guarantee in favour of Combined Independent (Holdings) Limited, a purchasing co-operative of which the charity is a member. No such contingent liability existed at 31 March 2016 following the closure of the charity's retail operations in February 2016.

# The Services Sound and Vision Corporation

## Notes to the Financial Statements

For the year ended 31 March 2016

### 17 Leasing commitments

At 31 March 2016 the charity had future minimum lease payments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Amounts due:				
- within one year	344	344	54	80
- between one and five years	909	1,249	12	58
- greater than five years	-	5	-	-
	<u>1,253</u>	<u>1,598</u>	<u>66</u>	<u>138</u>

### 18 Capital commitments

At 31 March 2016, the charity had capital commitments of £nil in relation to assets in the course of construction (2015: £nil).

### 19 Related party transactions

At 31 March 2016, a net amount of £24,651 was due from (2015: £49,855 due to) SSVC Broadcasting Limited. A gift aid donation of £189,381 was made from SSVC Broadcasting Limited to the charity (2015: £192,067).

Costs of £77,926 were recharged to SSVC Broadcasting Limited during the year (2015: £6,323).

Transactions in respect of Trustees' expenses are disclosed in note 3.

### 20 Transition to FRS 102 and the Charities SORP FRS 102

The charity transitioned from the previously applicable UK Generally Accepted Accounting Principles (GAAP) to FRS 102 as at 1 April 2014. The impact of the transition was as follows:

1. Holiday pay accrual  
The charity had not previously fully accrued for holiday pay entitlements. Under FRS 102 this is required, and as such adjustments have been made as if the holiday pay had always been accrued for.
2. Restatement of the defined benefit pension scheme  
Under previous UK GAAP, as part of the actuarial valuation of the defined benefit pension scheme, costs incurred for managing the scheme were recognised in 'other recognised gains/(losses)' on the Statement of financial activities within the actuarial gain/(loss).

During the year ended 31 March 2016 an actuarial valuation was completed for both 2016 and 2015 under FRS 102. In 2015 an additional cost was incurred for 'administrative expenses' of £411,000 which was required to be recognised in the Statement of financial activities. This has now been reflected in 2015 under 'costs in respect of charitable activities'.



## The Services Sound and Vision Corporation

### Notes to the Financial Statements

For the year ended 31 March 2016

As the pension scheme resides as an asset, the other side of the entry was made to the de-recognition of the scheme assets under the actuarial loss recognised in 'other recognised gains/(losses)' for 2015. This resulted in a reduction of the actuarial loss of £411,000 and therefore this adjustment resulted in no change to the unrestricted funds of the charity at 31 March 2015.

3. Recognition of fair value of foreign currency forward contracts

Previously the fair value of foreign currency forward contracts had been disclosed in the accounts but not recognised on the Balance sheet. Under FRS 102 all foreign currency forward contracts are recognised at fair value using a valuation technique, with any gains or losses being reported in the Statement of financial activities. Outstanding foreign currency forward contracts at reporting date are included within debtors or creditors on the Balance sheet depending on the year end position.

#### Reconciliation of funds at 1 April 2014:

	Note	£'000
Funds at 1 April 2014 under previous UK GAAP		37,701
Holiday pay accrual	1	(198)
Restatement of the defined benefit pension scheme	2	-
Recognition of fair value of foreign currency forward contracts	3	254
<b>Funds at 1 April 2014 under FRS 102</b>		<b>37,757</b>

#### Reconciliation of funds at 31 March 2015:

	Note	£'000
Funds at 31 March 2015 under previous UK GAAP		40,856
Holiday pay accrual	1	(198)
Restatement of the defined benefit pension scheme	2	-
Recognition of fair value of foreign currency forward contracts	3	(968)
<b>Funds at 31 March 2015 under FRS 102</b>		<b>39,690</b>

#### Reconciliation of Statement of Financial Activities for the year ended 31 March 2015

	Note	£'000
Net movement in funds under previous UK GAAP		3,155
Holiday pay accrual	1	-
Restatement of the defined benefit pension scheme	2	-
Recognition of fair value of foreign currency forward contracts	3	(1,222)
<b>Net movement in funds under FRS 102</b>		<b>1,933</b>



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