

Charity Registration No. 1150541

Company Registration No. 08302965 (England and Wales)

THE NOT FORGOTTEN ASSOCIATION (NFA)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

THE NOT FORGOTTEN ASSOCIATION (NFA)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr D J Cowley
Mr J M Archer
Lord Newall DL
Mr M W Nicholls
Commodore P J Tribe
Colonel W J Partridge
Mr G C Hurstfield
Dr C M Goble
Commodore S J Scorer
Group Captain J L Gross
Mr P Botterill
Mr M Tomlinson
Mr B Plummer
Mr S W G Neel (Appointed 2 October 2018)

Charity number

1150541

Company number

08302965

Registered office

2 Grosvenor Gardens
London
SW1W 0DH

Auditor

Alliotts
Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

THE NOT FORGOTTEN ASSOCIATION (NFA)

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THE NOT FORGOTTEN ASSOCIATION (NFA) TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

The Trustees are pleased to present their Annual Report, together with the financial statements of the charity, for the year ended 31 March 2019, which are also prepared to meet the requirements for a Directors' Account and report for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and 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) (as amended for accounting periods commencing from 1 January 2016).

Chairman's Report

The Not Forgotten Association (NFA) has served the military community for 99 years. Founded in 1920 to support the wounded of the Great War, it remains true to its original ideals providing activities that alleviate suffering and directly address the causes of isolation and loneliness amongst vulnerable members of the Armed Forces family.

Supporting over 10,000 individuals a year, an estimated one million since 1919, NFA is an integral part of our military charity community. It is a partner to all military charities, associations and organisations; it supports them all. With no membership, it helps any serving member or veteran who is ill or suffering regardless of service, age, rank, length of service or type of illness.

NFA's dynamic programme creates an environment where service personnel feel secure and relaxed, where banter and camaraderie come to the fore, morale improves and confidence is regained. These are the building blocks upon which all recovery is based; feeling valued and included and having dignity and independence restored are often the first step to normality. Its work is often the catalyst for the individual and their family to enjoy a normal, if not better life, for return to employment and being a positive member of a community.

Every year The Not Forgotten Association office receives hundreds of letters and emails from veterans which do not just say 'thank you' but tell us how they have benefitted from a Not Forgotten Association event. This can be attending the summer Garden Party at Buckingham Palace or the Christmas Party at St James's Palace, going on one of our holidays or outings or, for those who are largely homebound, attending a concert in a care home or just watching a television we have supplied.

The range of our activities and events is as wide as the age range of our beneficiaries, from a serving soldier in his early twenties to a former Japanese prisoner of war aged 106. But the purpose is always the same – to restore confidence and comradeship and to address the loneliness which so often haunts those who have served and are now suffering from injury, disability or ill health. Key to all of this is reaching new beneficiaries, giving extra help to those who will benefit from it and ensuring our programme is fully connected with the work of other service charities. In all these areas great progress has been made this year.

In 2020 The Not Forgotten Association will celebrate the centenary of our foundation. There will be an even wider range of events to mark this milestone with the aim of finding those former service men and women who have suffered injury or who are now disabled and who have fallen through the net of the military charity community. There are too many of them and the theme for our centenary year will be 'Finding the Forgotten'.

None of our work would be possible without the continuing and generous support of our benefactors, our fundraisers and volunteers, our trustees and the team at Grosvenor Gardens. I cannot thank them adequately for all they do and for all the interest they take in those for whom we work.

We are marking our centenary with some changes in how we present the charity. These are changes in image but emphatically not in our work and values. They remain unchanged 100 years after our founder said "...as long as there are those who suffer from their service, so long will The Not Forgotten Association be needed".

David Cowley
Chairman

THE NOT FORGOTTEN ASSOCIATION (NFA) TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

Enriching the lives of Injured Service Personnel

Our charitable object, Mission, Vision and Values

- **Objectives.** To act generally for the benefit of service and ex-service personnel with disabilities or who are wounded, including the organisation or provision of items or facilities for leisure and recreational activities, travel, holidays and outings.
- **Mission.** To deliver high quality and safe recreational and entertainment activities to meet the needs of our beneficiaries, and to provide a caring and personal service which is fully linked in with other recovery pathways and which is underpinned by an ethos where everyone counts and is valued.
- **Vision.** To be the trusted partner of choice for providing entertainment and recreation opportunities for both beneficiaries and other service charities. To position ourselves to help more individuals who we are not yet reaching. To meet the high demand for activities and events, well supported by volunteers and with a strong financial base.
- **Values. ExPECT**
 - **Excellence** – we seek to achieve this in everything we do.
 - **Personal** – our beneficiaries are at the heart of everything we do, we know them and they know us.
 - **Empathy** – we listen to, respect and understand our beneficiaries and their needs.
 - **Comradeship** – veteran supporting veterans; bringing different generations, campaigns and services together.
 - **Teamwork** – we work with our beneficiaries and other military charities to meet the individual's needs
- We will:
 - a. Support every eligible beneficiary who approaches us, irrespective of service, age, rank or injury/illness.
 - b. Work closely with other service charities to meet the needs of our mutual beneficiaries.

THE NOT FORGOTTEN ASSOCIATION (NFA) TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

Reserves

The NFA has no guaranteed income, no service contracts and no expectation of a guaranteed income from legacies. Although many donors continue to support the charity, they have also experienced increased pressure on their own available resources.

The Board has confirmed its commitment to continue to provide support to our beneficiaries and has been operating at a deficit to meet the demand.

In February 2017 the General Committee of The Not Forgotten Association approved the policy which requires reserves be maintained at a level which ensures that the Association's core activity could continue during an 18 month period of unforeseen difficulty where income was significantly reduced.

The reserves will be kept in two distinct funds as follows:

- **Designated Investment Fund.** As the Association has no other permanent fixed assets the trustees have decided to designate a portion of investment reserves as a designated restricted programme fund. Initially maintained at approximately £2M, invested to generate 7% of current charity expenditure, with the aim that the fund grows to generate 10% of expenditure.
- **Core Operating Cash Reserve.** £50,000 initially, but increasing to £150,000 to create an operating cash reserve to manage cash flow and maintain financial flexibility and to cover ongoing operating and programme costs.

The calculation of the required level of reserves is an integral part of the NFA's planning, budget and forecast cycle. It takes into account:

- Risks associated with each stream of income and expenditure being different from that budgeted.
- The organisation's commitments.
- Planned activity level.

The policy will be reviewed every other year, at a minimum, by the Finance and General Purposes Sub Committee or sooner if warranted by internal or external events or changes.

THE NOT FORGOTTEN ASSOCIATION (NFA) TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

Investments

Performance

The Charity continued to have its funds managed by Cazenove Charities. In 2019, the Charity will undertake a review of its investment manager, by opening a tender process requesting proposals for the management of its investment portfolio

Net loss on investment for the year to March 2019 totalled £3,013 (2018: loss £57,800).

Investment income for the year totalled £83,648 (2018: £105,321).

NFA Trading Limited (Company Number 09835998)

Launched in January 2016 after an agreement between The Not Forgotten Association and Willis Towers Watson insurance brokers, whereby they would broker a Forces' Personal Accident policy, through Covéa Insurance, the NFA would receive a fixed amount from each premium received. At March 2019, £nil (2018: £9,007) was received by the trading account. This agreement has come to an end.

In 2017/18, The Association expanded its profile by offering a range of merchandise for sale online. These transactions were accounted for in the trading account. Total sales of merchandise from the webstore and at fundraising events was £1,611 (2018: £2,934). NFA Trading Ltd will gift profits to the Charity. Management will recommend to the trustees that the trading account be closed in 2019/20 and that inventory be transferred to the Charity.

Fundraising

The Charity does not use external, professional fundraisers but relies on the work of the small team in the office to balance this work with their other responsibilities. We are bound by the Code of the Fund Raising Regulator and ensure that our fundraising is legal, open, honest and respectful; there have been no complaints about our fund-raising activities. As mentioned earlier in this report, the Charity, is lucky to have the support of our volunteers for fund-raising.

Risk Management

The risks to the NFA are formally reviewed every year by the trustees. The 2 greatest risks to the charity are 1) reputational risk and 2) financial fragility. The trustees and Senior Management Team are alive to both which are constantly reviewed and discussed. To address the changing and challenging charitable financial environment a small trustee sub-committee has been set up to develop a 2030 Strategy. This sub-committee will look at fiscal trends, opportunities and the military charitable environment to advise the General Committee on what The Not Forgotten should look like and focus on going forward. This sub-committee will report to the General Committee throughout the development of the strategy which should be delivered and approved by the end of 2020.

THE NOT FORGOTTEN ASSOCIATION (NFA) TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

Plans for 2019/20

The NFA Plan 2020 reaffirmed the NFA's commitment to support to eligible beneficiaries.

In addition to the tasks in the 2020 Plan the Association will aim to achieve the following in 2019/20:

- Review and maintain a relevant, dynamic and responsive programme – including a new respite program at Maison 10 in France, as well as a new challenge the ascent of Mount Triglav , Slovenia which involves tackling a 400 metre via ferrata
- Support c10,000 beneficiaries - c.70% new to NFA
- Continue to raise the NFA profile (website/ SM)
- The Trustees will start work on a 2030 Strategy which will be delivered by the end of 2020.
- In preparation for our century complete the Charity rebranding project
- Diversify income to include new corporate relationships
- Work with our fundraising partners (Team Forces of Nature) to plan and deliver the Amazonian Kayak 2020 expedition
- Plan for our Centenary

Summary

Wounded and injured service men and women, and veterans with disabilities, are at the heart of everything we do. Remaining true to our original objectives of 1920, we are proud to be supporting over 10,000 individuals each year with our varied and busy programme. We consider it a huge privilege to be supporting so many individuals raising some cheer amongst those who have served their country and now suffer.

Structure, governance and management

The charity is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr D J Cowley
Mr J M Archer
Lord Newall DL
Mr M W Nicholls
Commodore P J Tribe
Colonel W J Partridge
Mr G C Hurstfield
Dr C M Goble
Commodore S J Scorer
Group Captain J L Gross
Mr P Botterill
Mr M Tomlinson
Mr B Plummer
Mr S W G Neel

(Appointed 2 October 2018)

THE NOT FORGOTTEN ASSOCIATION (NFA) TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

Recruitment of Trustees

As set out in the Articles of Association any person who is willing to act as a trustee, and is permitted by law to do so, may be appointed to be a trustee by Ordinary Resolution; or by a simple majority of all the trustees entitles to attend and vote at any meeting of the General Committee. New trustees who are invited to join the Board by the Chairman, with the approval of the Board, will normally serve for five years with an optional extension of five years if approved by the Board. Trustees who join the Board normally come with a specific skill or area of interest that will benefit the organisation eg. detailed understanding of the armed forces, investments, finance or the law; or corporate experience and knowledge.

Trustee induction and training

New trustees are briefed on their legal obligations. During their period of induction they meet the management team and review and discuss activities, recent financial statements and Committee minutes. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

The trustees' report was approved by the Board of trustees.



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Mr D J Cowley

Chairman

Dated: 22/10/19

THE NOT FORGOTTEN ASSOCIATION (NFA)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2019

The trustees, who are also the directors of The Not Forgotten Association (NFA) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE NOT FORGOTTEN ASSOCIATION (NFA)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE NOT FORGOTTEN ASSOCIATION (NFA)

Opinion

We have audited the financial statements of The Not Forgotten Association (NFA) (the 'charity') for the year ended 31 March 2019 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

THE NOT FORGOTTEN ASSOCIATION (NFA)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE NOT FORGOTTEN ASSOCIATION (NFA)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Meredith BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Alliotts
Chartered Accountants
Statutory Auditor

6/11/19

Friary Court
13-21 High Street
Guildford
Surrey GU1 3DL

THE NOT FORGOTTEN ASSOCIATION (NFA)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<u>Income and endowments from:</u>					
Donations and legacies	3	889,522	215,500	1,105,022	1,110,565
Charitable activities	4	124	-	124	715
Investments	5	83,648	-	83,648	105,321
Other income	6	97	-	97	48,583
Total income		973,391	215,500	1,188,891	1,265,184
<u>Expenditure on:</u>					
Raising funds	7	209,939	-	209,939	212,401
Charitable activities	8	757,958	312,886	1,070,844	1,100,305
Exceptional expenditure	12	-	-	-	(38,645)
Total resources expended		967,897	312,886	1,280,783	1,274,061
Net gains on investments		(3,013)	-	(3,013)	(57,800)
Net incoming/(outgoing) resources before transfers		2,481	(97,386)	(94,905)	(66,677)
Gross transfers between funds		(96,386)	96,386	-	-
Net movement in funds		(93,905)	(1,000)	(94,905)	(66,677)
Fund balances at 1 April 2018		2,236,347	6,867	2,243,214	2,309,891
Fund balances at 31 March 2019		2,142,442	5,867	2,148,309	2,243,214

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE NOT FORGOTTEN ASSOCIATION (NFA)

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Investments	13		2,036,700		2,039,713
Current assets					
Debtors	15	109,457		267,849	
Cash at bank and in hand		120,858		67,988	
			<u>230,315</u>		<u>335,837</u>
Creditors: amounts falling due within one year	16	<u>(118,706)</u>		<u>(132,336)</u>	
Net current assets			111,609		203,501
Total assets less current liabilities			<u>2,148,309</u>		<u>2,243,214</u>
Income funds					
Restricted funds	18		5,867		6,867
<u>Unrestricted funds</u>					
Designated funds	19	2,000,000		2,000,000	
General unrestricted funds		142,442		236,347	
			<u>2,142,442</u>		<u>2,236,347</u>
			<u>2,148,309</u>		<u>2,243,214</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2019, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 22/10/19.....



Mr D J Cowley
Trustee

Company Registration No. 08302965

THE NOT FORGOTTEN ASSOCIATION (NFA)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash absorbed by operations	24		(30,778)		(376,169)
Investing activities					
Purchase of investments		-		(50,040)	
Proceeds on disposal of investments		-		325,000	
Interest received		83,648		105,321	
		<u>83,648</u>		<u>105,321</u>	
Net cash generated from investing activities			83,648		380,281
Net cash used in financing activities			-		-
			<u>-</u>		<u>-</u>
Net increase in cash and cash equivalents			52,870		4,112
Cash and cash equivalents at beginning of year			67,988		63,876
			<u>67,988</u>		<u>63,876</u>
Cash and cash equivalents at end of year			<u>120,858</u>		<u>67,988</u>

THE NOT FORGOTTEN ASSOCIATION (NFA)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Charity information

The Not Forgotten Association (NFA) is a private company limited by guarantee incorporated in England and Wales. The registered office is Fourth Floor, 2 Grosvenor Gardens, London, SW1W 0DH .

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has not prepared consolidated accounts and included the results of its trading subsidiary, NFA Trading Limited as the activities of the company are completely immaterial to the charity and the cost would be disproportionate to the benefit to the reader. More details of the company are given in note 24.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Donated services and facilities are recognised in the period of receipt at fair value; a corresponding amount is also recognised in expenditure.

THE NOT FORGOTTEN ASSOCIATION (NFA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Costs of raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes. This includes fundraising activities and events.

Expenditure on charitable activities includes the costs of activities and their associated support costs.

As the association is not registered for VAT, all VAT incurred is charged as a cost against the activity for which the expenditure was incurred.

Support costs include back office costs such as finance, personnel, events support and governance costs. These costs have been allocated between the costs of raising funds and charitable activities. The basis for allocation is percentage of staff time.

Televisions	14%
Holidays	22%
Entertainments	19%
Outings	16%
Fundraising & Publicity	29%

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

THE NOT FORGOTTEN ASSOCIATION (NFA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Pension provision

The charity participates in the the Pensions Trust Growth Plan pension scheme, a multi employer scheme, part of which is a defined benefit scheme and is in deficit. The charity has been making additional pension contributions to this scheme to meet its share of a deficit reduction arrangement. The charity gave notice that it intended to leave the scheme and as at 31 March 2019 a final invoice has been received from the Pensions Trust.

3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Donations and gifts	819,304	215,500	1,034,804	966,529
Legacies receivable	70,218	-	70,218	144,036
	<u>889,522</u>	<u>215,500</u>	<u>1,105,022</u>	<u>1,110,565</u>
For the year ended 31 March 2018	<u>940,580</u>	<u>169,985</u>		<u>1,110,565</u>

The Charity has received tickets to events and the use of facilities and services during the year for which the donors required no payment. An amounts has been included as gifts in kind as both income and expenditure to enable a better understanding of the funds.

4 Charitable activities

	2019 £	2018 £
Sales within charitable activities	<u>124</u>	<u>715</u>

THE NOT FORGOTTEN ASSOCIATION (NFA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

5 Investments

	2019 £	2018 £
Income from investments	83,648	105,319
Interest receivable	-	2
	<u>83,648</u>	<u>105,321</u>

6 Other income

	2019 £	2018 £
Insurance reclaim	-	48,583
Sundry income	97	-
	<u>97</u>	<u>48,583</u>

THE NOT FORGOTTEN ASSOCIATION (NFA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

7 Raising funds

	2019 £	2018 £
<u>Fundraising and publicity</u>		
Other fundraising costs	41,235	49,097
Staff costs	121,744	128,998
Support and governance costs	42,109	29,315
	<hr/>	<hr/>
Fundraising and publicity	205,088	207,410
	<hr/>	<hr/>
<u>Investment management</u>	4,851	4,991
	<hr/>	<hr/>
	209,939	212,401
	<hr/>	<hr/>
For the year ended 31 March 2018		
Fundraising and publicity		207,410
Investment management		4,991
		<hr/>
		212,401
		<hr/>

THE NOT FORGOTTEN ASSOCIATION (NFA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8 Charitable activities

	Televisions	Holidays	Entertain ment	Outings	Total 2019	Total 2018
	2019	2019	2019	2019		
	£	£	£	£	£	£
Staff costs	58,773	92,358	79,763	67,169	298,063	315,821
Direct Costs	50,305	302,398	197,971	119,005	669,679	706,362
	<u>109,078</u>	<u>394,756</u>	<u>277,734</u>	<u>186,174</u>	<u>967,742</u>	<u>1,022,183</u>
Share of support costs (see note 9)	17,981	28,257	24,404	20,551	91,193	68,149
Share of governance costs (see note 9)	2,348	3,690	3,187	2,684	11,909	9,973
	<u>129,407</u>	<u>426,703</u>	<u>305,325</u>	<u>209,409</u>	<u>1,070,844</u>	<u>1,100,305</u>
Analysis by fund						
Unrestricted funds	98,020	236,494	214,035	209,409	757,958	798,777
Restricted funds	31,387	190,209	91,290	-	312,886	301,528
	<u>129,407</u>	<u>426,703</u>	<u>305,325</u>	<u>209,409</u>	<u>1,070,844</u>	<u>1,100,305</u>
For the year ended 31 March 2018						
Unrestricted funds	129,432	167,883	273,331	228,131		798,777
Restricted funds	10,558	290,970	-	-		301,528
	<u>139,990</u>	<u>458,853</u>	<u>273,331</u>	<u>228,131</u>		<u>1,100,305</u>

THE NOT FORGOTTEN ASSOCIATION (NFA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

9 Support costs

	Support costs	Governance costs	2019	2018
	£	£	£	£
Office Expenses	62,367	-	62,367	45,017
Rent	37,914	-	37,914	33,823
Employee Related Insurance	15,990	-	15,990	9,421
	12,168	-	12,168	7,723
Audit fees	-	6,349	6,349	6,350
Trustees Expenses	-	4,778	4,778	968
Governance Costs	-	5,645	5,645	4,135
	<u>128,439</u>	<u>16,772</u>	<u>145,211</u>	<u>107,437</u>
Analysed between				
Fundraising	37,246	4,863	42,109	29,315
Charitable activities	91,193	11,909	103,102	78,122
	<u>128,439</u>	<u>16,772</u>	<u>145,211</u>	<u>107,437</u>

Governance costs includes payments to the auditors of £6,350 (2018: £6,350) for audit fees.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but 2 of them were reimbursed a total of £232 meeting expenses (2018- 1 was reimbursed £217 for travelling expenses).

THE NOT FORGOTTEN ASSOCIATION (NFA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

11 Employees

Number of employees

The average monthly number of employees during the year was:

2019 Number	2018 Number
11	10

Employment costs

	2019 £	2018 £
Wages and salaries	359,553	383,389
Social security costs	33,272	35,044
Other pension costs	26,982	26,386
	<u>419,807</u>	<u>444,819</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2019 Number	2018 Number
£60,000-£69,999	1	1
£90,000-£99,999	1	1

12 Exceptional expenditure

	2019 £	2018 £
Fraudulent expenditure	-	16,677
Payment on withdrawal from The Pensions Trust Plan	-	(55,322)
	<u>-</u>	<u>(38,645)</u>

During 2018 it was discovered that a fraud had been ongoing for the last three months of the 2017 financial year. A successful claim was made to the charity's insurers and the full amount was recovered, less excesses. This was included in the 2018 accounts.

The charity participated in the Pensions Trust Growth Plan, a multi-employer plan. In 2018 the charity decided to withdraw from the Pensions Trust Growth Plan and move to another scheme. The final amount owed following the crystallisation of the liability is included in accruals.

THE NOT FORGOTTEN ASSOCIATION (NFA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

13 Fixed asset investments

	Listed investments £	Cash in portfolio £	Investment in subsidiary	Total £
Cost or valuation				
At 1 April 2018	1,991,020	48,692	1	2,039,713
Valuation changes	(8,373)	5,360	-	(3,013)
At 31 March 2019	1,982,647	54,052	1	2,036,700
Carrying amount				
At 31 March 2019	1,982,647	54,052	1	2,036,700
At 31 March 2018	1,991,020	53,762	1	2,044,783

Other investments comprise:	Notes	2019 £	2018 £
Investments in subsidiaries	23	1	1

14 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	47,930	44,183
Equity instruments measured at cost less impairment	2,036,699	2,039,712
Carrying amount of financial liabilities		
Measured at amortised cost	61,163	75,380

15 Debtors

Amounts falling due within one year:	2019 £	2018 £
Amounts owed by subsidiary undertakings	41,388	39,231
Other debtors	6,542	4,952
Prepayments and accrued income	61,527	223,666
	109,457	267,849

THE NOT FORGOTTEN ASSOCIATION (NFA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

16 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Other taxation and social security		10,156	9,569
Deferred income	17	47,387	47,387
Trade creditors		714	2,142
Amounts due to subsidiary undertakings		1	1
Accruals		60,448	73,237
		<u>118,706</u>	<u>132,336</u>

17 Deferred income

	2019 £	2018 £
Other deferred income	<u>47,387</u>	<u>47,387</u>
Opening balance	47,387	22,184
Released in year	(47,387)	(22,184)
Amounts deferred in the year	<u>47,387</u>	<u>47,387</u>
Carried forward	<u>47,387</u>	<u>47,387</u>

The deferred income relates to an annual donation to cover rent, for the period starting 1 March each year.

THE NOT FORGOTTEN ASSOCIATION (NFA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 31 March 2019 £
	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Transfers £	
Events	1,000	-	(1,000)	-	-
Help for Heroes	-	100,000	(112,297)	12,297	-
LIBOR	-	98,000	(108,428)	10,428	-
NMA	867	-	-	-	867
Other	5,000	-	-	-	5,000
RAFBF	-	17,500	(91,161)	73,661	-
	<u>6,867</u>	<u>215,500</u>	<u>(312,886)</u>	<u>96,386</u>	<u>5,867</u>

The LIBOR fund is to restore confidence and boost morale for members of the Armed Forces Community.

Events income was towards an event at Brands Hatch.

Help for Heroes (H4H) funds were restricted for three activities, namely Alpine Canoeing, Iceland trip and Ypres Battlefield tour.

NMA fund is for the upkeep of the elephant memorial to The NFA at The National Memorial Arboretum.

RAFBF fund is for Royal Air Force personnel and their families.

Other funds relate to various programmes that are regional.

19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			Balance at 31 March 2019 £
	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	
Investment Fund	2,000,000	-	-	2,000,000
	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>

The Investment Fund is used as if it were a capital fund to generate an income stream to spend on the charity's programmes.

THE NOT FORGOTTEN ASSOCIATION (NFA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

20 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Fund balances at 31 March 2019 are represented by:			
Investments	2,036,700	-	2,036,700
Current assets/(liabilities)	105,742	5,867	111,609
	<u>2,142,442</u>	<u>5,867</u>	<u>2,148,309</u>

THE NOT FORGOTTEN ASSOCIATION (NFA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

21 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	50,533	51,950
Between two and five years	44,714	82,928
	<u>95,247</u>	<u>134,878</u>

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows and comprises Chief Executive, Head of Events and Head of Finance.

	2019 £	2018 £
Remuneration	<u>244,971</u>	<u>233,448</u>

In the year the spouse of one of the Trustees earned £2,108 as an employee of the charity.

23 Subsidiaries

Details of the charity's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
NFA Trading Limited	England	Trading company	Ordinary	100.00	

THE NOT FORGOTTEN ASSOCIATION (NFA)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

24 Cash generated from operations	2019 £	2018 £
Deficit for the year	(94,905)	(66,677)
Adjustments for:		
Investment income recognised in statement of financial activities	(83,648)	(105,321)
Fair value gains and losses on investments	3,013	57,840
Movements in working capital:		
Decrease/(increase) in debtors	158,392	(229,129)
(Decrease) in creditors	(13,630)	(58,085)
(Decrease)/increase in deferred income	-	25,203
Cash absorbed by operations	<u>(30,778)</u>	<u>(376,169)</u>