

**Charity registration number: 1159482**  
**Company registration number: 09318784**

**INVICTUS GAMES FOUNDATION**

**(A company limited by guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

# INVICTUS GAMES FOUNDATION

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# INVICTUS GAMES FOUNDATION

## TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

### REFERENCE AND ADMINISTRATIVE DETAILS

<b>Charity name</b>	Invictus Games Foundation
<b>Charity registration number</b>	1159482
<b>Company registration number</b>	09318784
<b>Trustees</b>	E L Fox D P Henson D A Jevans Sir K E Mills J G E Monson P G Nicoll M M Reilly
<b>Registered office</b>	7th Floor Dashwood House 69 Old Broad Street London EC2M 1QS
<b>Operational address</b>	4th Floor Marathon House 190 Great Dover Street London SE14 4YB
<b>Chief Executive Officer</b>	John Dominic Reid OBE
<b>Auditors</b>	Price Bailey LLP Chartered Accountants & Statutory Auditors Anglia House, 6 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich , NR7 0HR
<b>Bankers</b>	C. Hoare & Co 37 Fleet Street London EC4P 4DQ
<b>Solicitors</b>	Clifford Chance LLP 10 Upper Bank Street London E14 5JJ

## INVICTUS GAMES FOUNDATION

### TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees provide the annual report together with the audited financial statements of the charity and group for the year ended 31 December 2019.

Invictus Games Foundation was incorporated as a company limited by guarantee on 19 November 2014 and registered as a charity with the Charity Commission on 3 December 2014.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

#### **Structure, Governance and Management**

The Charity is a company limited by guarantee without share capital and is governed by its Memorandum and Articles of Association. The Trustees, who are also the directors of the charitable company for the purposes of UK company law, and who served during the year and at the date of signing were:

E L Fox  
D P Henson  
D A Jevans  
T L Miller  
Sir K E Mills  
J G E Monson  
P G Nicoll  
M M Reilly

None of the Trustees has any beneficial interest in the Charity. All of the Trustees are members of the Company and guarantee to contribute £1 in the event of a winding up.

New Trustees are appointed with a view to maintaining an appropriate balance of skills and experience. Appointments of Trustees are reviewed by the board of Trustees. Trustees hold offices for a 3-year fixed term.

All Trustees receive information about their responsibilities as a part of their induction. Training is provided to existing Trustees as and when the need arises, as well as to members of the Executive including through attendance at relevant seminars and workshops on issues central to the effective operation of a charity. In 2019, two Trustees attended a one-day Mental Health First Aid at Work course.

The Board of Trustees is self-appointing and Trustees are appointed in accordance with the Articles of Association. The Board meets four times a year with a Finance Sub-Committee scrutinising the budget and quarterly management accounts. In addition, a Governance and Nominations Sub-Committee has been established to ensure compliance with the Charity's Articles of Association, legal, charitable and regulatory requirements. It is the intention in 2020 to also form an HR and Employment Sub-Committee. The Board of Trustees is led by the Chairman and the day-to-day management of the Charity is delegated to the Chief Executive. Remuneration for the CEO and key management is set as part of the annual budget review. This is reviewed first by the Finance Committee with final approval by the Board. With the formation of the HR and Employment Sub-Committee the setting of remuneration will also form part of their remit.

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A detailed Governance Review was conducted in line with the requirements of the Charity Commission and supported by legal advice provided by Clifford Chance LLP. This resulted in a full update of the Charity's Trustee Guidelines, as well as an ongoing programme for reviewing and updating its core policies.

#### **Risk Management**

The Trustees have given careful consideration to the major risks which the Charity faces. The Board of the Invictus Games Foundation has ultimate responsibility for managing these risks. The Charity has compiled a Risk Register which covers the core functional areas of:

- Governance.
- Operational.
- Financial.
- External factors including legal and regulatory
- Reputational
- Legacy

It also followed the Charity Commission's risk assessment and scoring system which takes account of both likelihood and impact as well as articulation for the pro-active mitigation of the arising risks.

With the Invictus Games now formally being delivered biennially, the Trustees continued to reinforce the importance of diversifying the Charity's income and providing protection against an over-reliance on certain funds, sources or sectors which has been identified as a continuing and key risk. This focus builds on the hosting fees payable by the Host Cities which deliver the Invictus Games, to secure financial contributions of long-term donors and sponsors on a multi-Games basis. To support this focus, the Board appointed a Development Director and an external commercial agency during 2019 with the responsibility for income generation.

The Board continues to recognise the key importance of protecting the Charity from the impact of a serious incident, including fraud or cyber-attack, which could threaten the viable operation, rationale and reputation of the Charity. Measures have been put in place to enhance the protection surrounding the Charity's IT resources. This includes periodical reviews of the security of the Charity against electronic and cyber-attack protocols, along with appropriate training in response to potential scenarios and specific risks as identified in the Risk Register.

As part of the Charity's review of its Safeguarding policy and potential inter-action with vulnerable people, all employees have under taken a Disclosure Barring Services check during the year.

In order to maintain the reputation of the Charity, which is seen as a critical priority and central to its effective modus operandi, measures have been developed to ensure a robust approach to pro-active communications in the event of a serious incident or adverse media coverage. These measures have included the conduct of a comprehensive review of its Strategy including the Vision, Mission and objectives so that the Charity is able clearly to articulate its purpose and adapt to an evolving environment as well as the enduring requirements of the Wounded, Injured and Sick military community.

The emergence of the Coronavirus pandemic in early 2020 represented a further and critical risk to the Charity. One of its direct impacts was to lead to the decision in late March 2020 in close consultation with the Organising Committee of the Invictus Games The Hague 2020 that the Games could not safely occur as planned in May 2020. A programme of direct mitigation was implemented immediately through the intent

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and detailed planning to reschedule the Games for the period May to June 2021. There have been further implications of the pandemic through the cancellation of other sporting events in 2020 from which the Charity would have expected to raise funds. The continuing impact of the pandemic will be kept under close and continual review.

The Board is satisfied that appropriate steps have been taken to identify and mitigate the major risks to which the Charity is exposed.

#### **Objectives and Activities**

The Invictus Games Foundation believes that men and women who have been injured during, or as a consequence of, their military service deserve to lead a purposeful and fulfilling life.

Through sport, we help those who have served their country to regain a sense of purpose that has been lost through injury or illness. To do this we harness the power of sport through a biennial, multi-national Invictus Games to inspire recovery; support rehabilitation; and generate a wider understanding and respect for wounded, injured and sick (WIS) servicemen and women.

In 2019, we undertook a detailed review of our Strategy and in support of the Charity's Objects developed our Vision, Mission and Strategic Objectives:

- **The Vision** of the Invictus Games Foundation is to 'Inspire international communities through the power of the unconquerable human spirit'
- **A Mission** to 'Inspire recovery and support the rehabilitation of wounded, injured or sick (WIS) military service personnel and veterans by encouraging greater international understanding and respect for those who serve their country'
- **Strategic Objectives** are to:
  - Use the power of sport to develop and deliver international competitions of adaptive sport through the Invictus Games.
  - Support initiatives internationally for WIS service personnel to regain a sense of purpose.
  - Support initiatives for WIS service personnel to re-engage with and contribute to their communities.
  - Develop and share best practice to foster greater international collaboration for recovery and rehabilitation.

#### **Public Benefit**

The principal activities of the Charity are designed to deliver its Vision, Mission and Strategic Objectives as listed above.

The Charity is the international governing body of the Invictus Games. Its principal function is to award the licence to each Host City and entity and to monitor and control each iteration of the Games.

Following a comprehensive, transparent assessment, it awards the license to successful host cities and entities. The Board of Trustees monitor the planning of each iteration of the Games, receiving quarterly

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update reports from the local organising committee. Detailed feedback from the Executive team on completion of each inspection visit includes reviews of:

- quality of venue
- competitor numbers
- fairness of rules and anticipated attendance
- financial performance against budget.

Following the conclusion of each Games, there is a comprehensive 'Feedback and Lessons Learned' process designed to facilitate and share best practice between Participating Nations. The clear intent is to share the key themes and outcomes arising from the legacy programmes from each Games to develop and nurture the public benefit generated. Through the Participating Nations and growing WIS community, the Charity also convenes and collaborates with nations' respective ministries of defence, charities and companies to provide events and opportunities for WIS to enhance and maintain their recovery and rehabilitation journey.

In addition, the Charity facilitates the sharing of best practice for rehabilitation through sport using its convening power to present at and host symposia and conferences.

The Trustees have considered the Charity Commission's guidance on public benefit, as stated in Section 17 of the Charities Act (2011). They confirm that the activities of the Invictus Games Foundation are in line with this guidance.

#### **Achievements and Performance**

##### **Focus for 2019**

##### **Delivery of the Invictus Games The Hague 2020**

A priority focus for 2019 was the oversight of the planning for delivery of the Invictus Games The Hague 2020. The role of the charity was to oversee and advise on the overall planning, including:

- The categorisation of 500 competitors across 20 countries, including 12 former competitors who supported the training day for the voluntary international categorisers
- Reconnaissance visits to ensure suitability of venues and accommodation for the WIS and their friends and family and compliance with the sports rules
- Marketing and branding to protect the reputation of the Invictus Games brand for future Invictus generations.

Teams from two additional countries were due to be participating in the 2020 Games and we welcome competitors from Belgium and the Republic of Korea to the Invictus community. We have also committed to supporting both Team Iraq and Team Afghanistan participate with assistance from their respective Embassies and Charity supporters.

##### **Selection of the host city for Invictus Games 2022**

The process, to seek bids from potential entities to host the Invictus Games in 2022 was concluded in December 2019 and the announcement of the Invictus Games Dusseldorf 2022 was made in January 2020. The process involved consideration of a shortlist of two strong and credible bids from Dusseldorf and Greater Victoria, British Columbia. The process followed a detailed programme of assessment by the Board and

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Executive of the Invictus Games Foundation based on the requirements laid down in a 'Request for Proposal' document and supported by specialist consultancy, sports and legal advice.

#### **Supporting WIS through 'Beyond the Games' initiatives**

This year we developed a new 'Outcomes and feedback' framework to assess our activities, designed to support the wider WIS community, outside of the Invictus Games. This programme has evolved from feedback that WIS personnel would like to stay connected to the Invictus Games family after competing as well as give those not able to take part in the Games an opportunity to benefit from sport for recovery initiatives.

#### **'WeAreInvictus' online noticeboard and forum**

With the financial support from the Veterans' Foundation and C. Hoare & Co, the charity was able to build a new WIS online platform and application ('app') for Apple and Android devices. This new virtual community ('WIS Noticeboard') for WIS was designed to offer a safe and secure space to support one another and take up opportunities to support personal recovery and rehabilitation journeys. The app also gives WIS access to international events and opportunities 'Beyond the Games'.

#### **Further 'Beyond the Games' initiatives included:**

- Supporting a WIS team to attend the Algarve Challenge (UK Challenge)
- Encouraging peer support internationally and promoting adaptive sport with Major League Baseball
- Taking on new physical challenges through the London Marathon and Ride London
- Fostering international teamwork and relations with The Halo Trust's Salisbury Plain Trek
- Representing the Charity at the BGC Charity Day, with former competitors from Canada, Germany, Ukraine, UK and USA
- Supported and enabled the UK Team to deliver a UK Trials event in Sheffield, including the development of an 'Invictus Trials' brand for nations to use at local events.

"At the beginning of this I felt out of my comfort zone and wanted to go home. By the end I had made friends, felt my confidence increase and overall had an amazing 3 days. I felt extremely lucky to share the experience with such a lovely group. I am hoping my confidence and self-belief will continue to grow."

Algarve Challenge participant

"I've had a couple of knockbacks lately and even though I tried to not let it all get to me, things were getting on top of me again. This opportunity allowed me to refocus...to be with my Invictus family, laugh, play a sport I haven't done before and rest my brain. I particularly enjoyed meeting other competitors from other countries, it was incredible to chat, share advice and gain from each other's experiences. You gave my family one of the best weekends of our lives and we are truly grateful from the bottom of our hearts."

MLB participant

"Since taking part in the Invictus Games, I've sought out opportunities to prove that I do not have to be defined by my injury and that if I apply myself, I can achieve things I once thought were impossible."

London Marathon participant



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#### **Facilitating and sharing best practice**

In addition, significant effort has been committed to the planning for the conduct of two conferences in 2020 to develop detailed knowledge and share best practice in the recovery and rehabilitation. First, in March 2020, The Royal Society in partnership with the Invictus Games Foundation is holding a Scientific Meeting on Trauma Recovery exploring new science and technology for mental and physical health. Then, prior to what should have been the start of the Invictus Games The Hague 2020 (now rescheduled to 2021 as a result of the Covid-19 global pandemic), the Invictus Games Foundation will digitally host an IGF Conversation entitled 'Sharing the Invictus Spirit' and focusing on themes of measuring impact and recognising the importance of resilience in WIS and also their family and friends who perform such a critical role in supporting them.

We are in the middle of a four-year research project assessing the long-term psychological and social impact of sport participation for service members and veterans who are wounded, injured and sick, supported by the Forces in Mind Trust. Findings from the research to date were presented at the Society of Behavioral Medicine conference in Washington DC during March, the American Public Health Association conference in Philadelphia in November, and the 10<sup>th</sup> Annual Military and Veteran Health Research Forum in Ottawa in October as well as at the trials for the UK Invictus team in Sheffield in July.

#### **Ellie Marks and the Swimming World ParaChampionships**

NHS Nurses responsible for saving the life of US Competitor Ellie Marks were invited to come join the Invictus Games Foundation as they watched Ellie take gold in the world championships in the Olympic Park. Her story, and the nurses, was highlighted on national news through liaising with Channel 4 to raise awareness of the continued journey of Ellie Marks post-Invictus Games.

#### **Celebrating five years of the Invictus Games**

In September 2019, the Charity celebrated its five year anniversary at the Guildhall in London. 300 guests joined our Patron, The Duke of Sussex in thanking competitors, nations and supporters in enabling the Invictus Spirit to change people's lives. We are hugely grateful for the support given to us from the City of London Corporation to enable this event to happen.

"This has always been about the competitors and their families. What they represent, the strength and determination, the grit, every part of it. I think, in the last five years, these guys have completely changed how we view disability, how we view mental health. This is all them."

The Duke of Sussex

#### **Internal communications and infrastructure**

During 2019, the Invictus Games Foundation developed further digital solutions for internal communications and photo storage. With significant digital resources gathered from previous Games and partnership activities, more work will be undertaken in 2020 to expand on its digital offering and create a greater range of visual assets for all of the Charity's channels.

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#### Working towards in 2020

##### Invictus Games

As a result of the Covid-19 global pandemic, the decision was announced on March 18<sup>th</sup> to reschedule the Invictus Games The Hague 2020, presented by Jaguar Land Rover to 2021.

The focus for 2020 will therefore be the continued planning for delivery of the Invictus Games The Hague ensuring that the Games embody the Invictus Spirit for the WIS and their 'family and friends'. The Games in the Hague will feature ten sports and 500 competitors across 20 nations. Embodying the Invictus Spirit, team sports will include 'Unconquered' teams made of up of competitors from several nations.

During the period of the pandemic, where social distancing requirements and travel restrictions remain in place, virtual activities are being developed using e-sports including cycling, running and rowing challenges, thus enabling the competitors to maintain focus and motivation and together with the inclusion of their family and friends stay engaged with the Invictus family.

##### Longitudinal impact study of the Invictus Games

During 2018, the Charity commissioned a significant research project over a four year period, assessing the long-term psychological and social impact of sport participation for service members and veterans who are wounded, injured and sick. This is being conducted through longitudinal surveys with Invictus Games competitors and non-competitors, and interviews held with staff from all Participating Nations in the Invictus Games. In the final year of the research, findings will be disseminated through workshops to enable the sharing of best practice with other programmes – both military and civilian. These findings will be used to refine the delivery of recovery and rehabilitation programmes, improve participant outcomes, and develop new sport opportunities. The intent is that this will benefit all WIS, including those who may not have participated in the Invictus Games.

We are thankful to the Forces in Mind Trust for their continued support.

##### WIS initiatives Beyond the Games

- In September, through our partnership with UK Challenge a team of WIS will compete in a three-day test of strategy, intelligence and physical endurance.
- WIS will be undertaking visits to Stocken Prison to talk to both veteran and non-veteran prisoners about their experiences and share their stories benefitting both the prisoners, but also the WIS by offering them public speaking opportunities
- Working with our Foundation Partners to showcase the benefits of WIS in the workplace and the benefits the military community can bring to business
- WIS, including International WIS will again undertake the challenge of running the London Marathon in October and the Vitality 10k in the autumn of 2020 in addition to competing in the Prudential Ride London
- The Invictus Games Choir have been invited to record a new version of Jon Bon Jovi's Unbroken. The choir will attend the famous Abbey Road Studio and record the song in Studio 2, where the Beatles famously recorded, with the single raising funds for the Charity.

##### Nations Engagement

Building on planning commenced in late 2019, 2020 (and now postponed to 2021) will see the expansion of the Invictus Games Foundation's work internationally. With 20 nations currently taking part, and a large

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number of nations seeking to become part of the Invictus Games Family, work will be undertaken to explore how engagement can be developed beyond the Games, and with nations currently ineligible to participate.

#### Financial Review

During the year, total income of £1,059k (2018: £987k) was recognised which consisted of:

- Donations and grants of £727k (2018: £268k) including restricted income of £108k (2018: £119k) and donated services £150k (2018: £nil).
- Income from charitable activities totalling £218k (2018: £376k). This included hosting fees £187k (2018: £332k), and rechargeable travel £24k (2018: £44k).
- Sponsorship income through the trading subsidiary of £114k (2018: £343k)

The Trustees appreciate all the support received in the year which will enable the Charity to continue to support the Invictus Games and opportunities for WIS. Expenditure of £972k (2018: £784k) incurred included support costs of £274k (2018: £349k) in establishing and delivering Invictus Games worldwide and Governance costs of £76k (2018: £49k) which included the legal costs of setting up the agreements between the Charity and the cities hosting the Games.

Overall the group recorded a surplus in the year of £87k in the year to 31 December 2019 (2018: £203k)

#### Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The Trustees believe that the group and charity are financially secure and there are no material uncertainties for the foreseeable future, thus continue to adopt the going concern basis of preparing the annual financial statements.

The Covid 19 pandemic has had a direct impact on the Invictus Games Foundation with the rescheduling of the Invictus Games, the Hague 2020 to 2021 as well as and the delay or cancellation of other sporting events from which funds are raised such as the London Marathon, UK Challenge and Major League Baseball. With the expectation of a continued need for social distancing for some time, there may still be an impact on these delayed events and other future events and hence our ability to fundraise from them.

As a small team, with very clear and defined roles that continue to be essential to the ongoing running of the Charity during the pandemic and because of the continued support of our partners and donors, staff have not been furloughed and continue to work from home in line with government guidelines. Expenditure is always closely monitored and a review of quarterly accounts and forecasts has always been part of the monitoring by the Trustees, however additional attention is being paid to reduce expenditure where possible whilst continuing to focus on the ongoing charitable activities in support of international wounded, injured and sick Servicemen and women

The policy of the Charity, however, is that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to twelve month's expenditure. As a result, whilst these funds will need to be partially used in the following twelve months the Trustees of the Charity do not foresee any material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date of signing of these financial statements.

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### TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

#### Reserves policy

Following the aim to hold an Invictus Games every two years, it is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to twelve months' expenditure. The Trustees consider that reserves at this level will ensure that in the event of a significant drop in funding, they will be able to continue the Charity's activities while consideration is given to ways in which additional funds may be raised. Expenditure for the year ended 31 December 2019 totalled £972k (2018: £784k) and unrestricted funds carried forwards totalled £876k (2018: £763k) excluding designated funds, meaning that the Charity's current free reserves are £97k below target. There were £83k (2018: £37k) restricted funds at the end of year which were planned to be utilised in early 2020. As a result of the rescheduling of the Invictus Games the Hague, the restricted reserve for the IGF Conversation support and for the Invictus Games team support will be held over to the rescheduled events in 2021.

#### Fundraising

The Charity understands its duty to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate, but does not proactively fundraise from the public through door-to-door, telephone or face-to-face fundraising or direct mail appeals. The primary sources of income of the Charity is licencing, trading, corporate fundraising and individual gifts. The appointment of a Development Director in 2019 led to the Charity registering with the Fundraising Regulator in April 2019. We received no fundraising complaints in the year (2018: none). In May, it appointed a new commercial agency to support sponsorship opportunities for the Charity and the host cities. The agency understands the need to protect the public and has their own policy to this effect.

The Trustees of the charity would like to thank the following partners and supporters for their continued support during 2019:

- Armed Forces Covenant Fund Trust
- Ascot Rehabilitation
- BGC Charity Day 2019
- The City of London Corporation
- Clifford Chance LLP
- The Endeavour Fund
- The Fisher House Foundation
- Hoare & Co
- Holder Racing Ltd
- Forces in Mind Trust
- In Remembrance Concert Association
- ISPS Handa
- Jaguar Land Rover
- Major League Baseball London Series 2019
- Superdry
- The Royal Society
- The UK Challenge
- The Veterans' Foundation and Veterans' Lottery
- And all our supporters who wish to remain anonymous

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### TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

#### Trustee's Responsibilities Statement

The Trustees (who are also directors of Invictus Games Foundation for the purposes 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 directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. observe the methods and principles in the Charities SORP FRS102;
3. make judgments and accounting estimates that are reasonable and prudent;
4. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
5. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

The Trustees 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.

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.



Keith Mills (Jul 16, 2020, 12:26pm)

**Sir K E Mills**  
Trustee

Date: 16 Jul 2020

## INVICTUS GAMES FOUNDATION

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INVICTUS GAMES FOUNDATION

#### Opinion

We have audited the financial statements of Invictus Games Foundation for the year ended 31 December 2019 which comprise the information in the Trustee's Annual Report, the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated and Charity Cash Flow Statement, and 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 group's and parent charitable company's affairs as at 31 December 2019, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of Companies Act 2006

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent charitable company 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 group's or parent charitable company'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 trustees' 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors'/trustees' report have been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Trustees**

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

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

## INVICTUS GAMES FOUNDATION

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INVICTUS GAMES FOUNDATION

#### 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of this report

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



**Helena Wilkinson FCA DChA**  
**Senior Statutory Auditor**

For and on behalf of  
**PRICE BAILEY LLP**

Chartered Accountants  
Statutory Auditors

Anglia House 6 Central Avenue  
St Andrews Business Park  
Thorpe St Andrew  
Norwich  
NR7 0HR

Date: 28 July 2020



**INVICTUS GAMES FOUNDATION**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Unrestricted £	Restricted £	Total 2019 £	Total 2018 £
<b>Income from:</b>					
Donations	2	618,510	108,250	726,760	268,201
Charitable activities	3	217,993	-	217,993	376,183
Other trading activities	4	113,800	-	113,800	342,534
<b>Total income</b>		<u>950,303</u>	<u>108,250</u>	<u>1,058,553</u>	<u>986,918</u>
<b>Expenditure on:</b>					
Raising funds	5	(134,164)	-	(134,164)	(74,828)
Charitable activities	6	(775,790)	(61,665)	(837,455)	(709,144)
<b>Total expenditure</b>		<u>(909,954)</u>	<u>(61,665)</u>	<u>(971,619)</u>	<u>(783,972)</u>
<b>Net income for the year</b>		<u>40,349</u>	<u>46,585</u>	<u>86,934</u>	<u>202,946</u>
<b>Reconciliation of funds:</b>					
Funds brought forward		857,635	36,665	894,300	691,354
<b>Total funds carried forward</b>		<u>897,984</u>	<u>83,250</u>	<u>981,234</u>	<u>894,300</u>

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

All income and expenditure derive from continuing activities.

The notes on pages 19 to 32 form part of these financial statements.

**INVICTUS GAMES FOUNDATION**  
**REGISTERED NUMBER: 04329682**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Note		2019 £	2018 £
<b>Current assets</b>				
Current asset investments	10	-	249,993	
Debtors	11	66,346	129,412	
Cash at bank and in hand		<u>1,263,252</u>	<u>608,287</u>	
		1,329,598	987,692	
Creditors: amounts falling due within one year	12	(348,364)	(93,392)	
		<u>                    </u>	<u>                    </u>	
<b>Net current assets</b>			<u>981,234</u>	<u>894,300</u>
			<u>981,234</u>	<u>894,300</u>
<b>Net assets</b>				
			<u>981,234</u>	<u>894,300</u>
<b>Group Funds</b>	13			
Unrestricted funds				
Unrestricted		805,562	763,419	
Designated		<u>92,422</u>	<u>94,216</u>	
			897,984	857,635
Restricted funds			<u>83,250</u>	<u>36,665</u>
			<u>981,234</u>	<u>894,300</u>
<b>Total group funds</b>			<u>981,234</u>	<u>894,300</u>

The trustees have prepared group accounts in accordance with section 398 of the Companies act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Trustees on 16 Jul 2020 and signed on their behalf, by:

  
 Keith Mills (Jul 16, 2020, 12:26pm)

**Sir K E Mills**  
 Trustee

The notes on pages 19 to 32 form part of these financial statements.


**INVICTUS GAMES FOUNDATION**  
**REGISTERED NUMBER: 04329682**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Note		2019		2018
			£		£
<b>Fixed assets</b>					
Investments	9		1		1
<b>Current assets</b>					
Current asset investments	10	-	249,993		
Debtors	11	223,029	441,963		
Cash at bank and in hand		1,033,614	315,813		
		<u>1,256,643</u>	<u>1,007,769</u>		
Creditors: amounts falling due within one year	12	(252,911)	(88,473)		
		<u>                    </u>	<u>                    </u>		
<b>Net current assets</b>			<u>1,003,732</u>		<u>919,296</u>
<b>Net assets</b>			<u>1,003,733</u>		<u>919,297</u>
<b>Charity Funds</b>					
Unrestricted funds					
Unrestricted		849,200	838,416		
Designated		92,422	94,216		
		<u>941,622</u>	<u>932,632</u>		
Restricted funds			62,111		(13,335)
			<u>                    </u>		<u>                    </u>
<b>Total charity funds</b>			<u>1,003,733</u>		<u>919,297</u>

The trustees have prepared group accounts in accordance with section 398 of the Companies act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Trustees on 16 Jul 2020 and signed on their behalf, by:


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 Keith Mills (Jul 16, 2020, 12:26pm)  
**Sir K E Mills**  
 Trustee

The notes on pages 19 to 32 form part of these financial statements.

**INVICTUS GAMES FOUNDATION**

**CONSOLIDATED AND CHARITY STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Group 2019 £</b>	<b>Charity 2019 £</b>	<b>Group 2018 £</b>	<b>Charity 2018 £</b>
<b>Cash flow from operating activities</b>				
Net movement in funds	86,934	84,435	202,946	324,062
<u>Adjusted for:</u>				
Decrease/(increase) in trade and other debtors	63,066	218,935	(98,160)	(410,711)
Decrease/(increase) in current asset investments	249,993	249,993	(249,993)	(249,993)
Increase in trade and other creditors	254,972	164,438	7,943	3,923
<b>Net cash flow from operating activities</b>	<u>654,965</u>	<u>717,801</u>	<u>(137,264)</u>	<u>(332,719)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	654,965	717,801	(137,264)	(332,719)
Cash and cash equivalents at start of year	608,287	315,813	745,551	648,532
<b>Cash and cash equivalents at end of year</b>	<u><u>1,263,252</u></u>	<u><u>1,033,614</u></u>	<u><u>608,287</u></u>	<u><u>315,813</u></u>

Cash and cash equivalents comprise cash at bank in both 2019 and 2018.

The notes on pages 19 to 32 form part of these financial statements.

## INVICTUS GAMES FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year.

##### 1.1. GENERAL INFORMATION

Invictus Games Foundation is a private company limited by guarantee incorporated in England and Wales under the Companies Act 2006. The registered office is 7th Floor, Dashwood House, 69 Old Broad Street, London EC2M 1QS.

##### 1.2. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost basis of accounting in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS102) effective 1 January 2019), and the Companies Act 2006.

The Invictus Games Foundation meets the definition of a public benefit entity under FRS 102.

The accounts are prepared in pounds sterling and are rounded to the nearest pound.

##### 1.3. GROUP FINANCIAL STATEMENTS

The financial statements have been prepared for the group of which Invictus Games Foundation is the ultimate parent charitable company. The financial statements consolidate the accounts of Invictus Games Foundation and its subsidiary undertaking ('subsidiary') on a line by line basis. A separate Statement of Financial Activities has not been presented because the Association has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

##### 1.4. GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The Trustees believe that the Charity is financially secure and there are no material uncertainties for the foreseeable future, thus continue to adopt the going concern basis of preparing the annual financial statements.

The Covid 19 pandemic has had a direct impact on the Invictus Games Foundation with the rescheduling of the Invictus Games, the Hague 2020 to 2021 as well as and the delay or cancellation of other sporting events from which funds are raised such as the London Marathon, UK Challenge and Major League Baseball. With the expectation of a continued need for social distancing for some time, there may still be an impact on these delayed events and other future events and hence our ability to fundraise from them.

As a small team, with very clear and defined roles that continue to be essential to the ongoing running of the Charity during the pandemic and because of the continued support of our partners and donors, staff have not been furloughed and continue to work from home in line with government guidelines. Expenditure is always closely monitored and a review of quarterly accounts and forecasts has always been part of the monitoring by the Trustees, however additional attention is being paid to reduce expenditure where possible whilst continuing to focus on the ongoing charitable activities in support of international wounded, injured and sick Servicemen and women.

## INVICTUS GAMES FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 1. ACCOUNTING POLICIES

##### 1.4. GOING CONCERN (CONTINUED)

The policy of the Charity, however, is that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to twelve month's expenditure. As a result, whilst these funds will need to be partially used in the following twelve months the Trustees of the Charity do not foresee any material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date of signing of these financial statements.

##### 1.5. FUND ACCOUNTING

Unrestricted funds are those which are available for the general purposes of the Charity at the discretion of the Trustees.

Restricted funds are those which have been received for undertaking an activity specified by the donor.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

##### 1.6. GIFT AID DONATIONS AND TAX RELIEF THEREON

Profits made by IGF Trading Limited are donated to the parent charity, Invictus Games Foundation.

A deed of covenant is in place, therefore the donation of profits from IGF Trading Limited to Invictus Games Foundation for the year ended 31 December 2019 is reflected in the year in which the profits are made in the subsidiary.

##### 1.7. INCOME

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income is generated through donations, hosting fees, sponsorship income and other sources. Income received in advance is deferred until the criteria for income recognition is met.

- Hosting fees and sponsorship income are recognised on a straight line basis over the term of the agreement.
- Royalties are recognised once the event has taken place and the income can be measured reliably.
- Donations are recognised when the foundation is entitled to the funds, they can be measured reliably and when it is probable that the funds will be received.
- Grant income is recognised depending on the terms of the grant agreement.

Donated professional services are recognised as income when the Foundation has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), any general volunteer time is not recognised. On receipt, donated professional services are recognised on the basis of the value of the gift to the Foundation which is the amount the Foundation would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt

## INVICTUS GAMES FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.8. EXPENDITURE

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. Expenditure is classified under the following activity headings:

- costs of raising funds comprise the apportionment of staff costs to this area on the basis of time spent raising funds;
- expenditure on charitable activities includes that which relates directly to fulfilling the charitable objectives of the Charity, as outlined in the Trustees' Report.

##### 1.9. ALLOCATION OF SUPPORT COSTS

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. They include back office costs, finance, personnel, payroll and governance costs which support the Charity's programmes and activities. These costs have been allocated between the costs of raising funds and expenditure on charitable activities. Staff costs are apportioned on the basis of management's estimation of the time spent on each activity. Costs which do not directly relate to one activity are apportioned on the same basis. Administration costs are allocated to support costs.

Governance costs are included in support costs and relate to the direct running of the Charity, allowing it to operate and generate the information required for public accountability. They include the costs of external audit.

##### 1.9. INVESTMENTS

Investments are a form of basic financial instrument and in the current year relate to the shares in the trading subsidiary which is carried at cost. The current asset investment in the 2018 financial statements related to a deposit account for the purpose of earning interest, also carried at cost.

##### 1.10. DEBTORS AND CREDITORS RECEIVABLE/PAYABLE WITHIN ONE YEAR

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Creditors are recognised when the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount.

##### 1.9.1. CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash held in bank accounts.

## INVICTUS GAMES FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.10. FINANCIAL INSTRUMENTS

The group 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 fair value as at the balance sheet date. All financial instruments of the charity are measured at cost.

Financial assets include cash and cash equivalents, trade debtors, accrued income and other debtors but exclude prepayments and taxation.

Financial liabilities include trade creditors, other creditors, accruals and deferred income but exclude social security and other taxes due.

##### 1.11. FOREIGN CURRENCIES

Monetary assets and liabilities are translated into sterling at the exchange rate ruling on the Balance Sheet date. Foreign exchange gains are recognised as other income and foreign exchange losses are recognised within the relevant category of charitable activity expenditure for the period in which they are incurred.

The functional currency of Invictus Games Foundation is considered to be Pounds Sterling because that is the currency of the primary economic environment in which it operates.

##### 1.12. PENSIONS

The Charity provides a defined contribution pension scheme, whereby the Charity and its staff each fund the scheme, managed by a third party provider, the assets of which are held by the provider separately from the assets of the Charity. The pension charge in the financial statements represents the amounts payable by the Charity to the fund in respect of the year.

##### 1.13. CORPORATION TAX

The Charity is exempt from taxation in respect of income and capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### 1.14. JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Charity's accounting policies, which are described above, the Trustees are required to make judgments, estimates and assumptions about the carrying amounts 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 those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider that there are any critical judgments or sources of estimation uncertainty in the financial statements.



**INVICTUS GAMES FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**2. INCOME FROM DONATIONS**

	<b>2019</b>	<b>2019</b>	<b>2019</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Donations and grants	468,510	108,250	576,760
Donated Services	150,000	-	150,000
	<u>618,510</u>	<u>108,250</u>	<u>726,760</u>

**2018**

	<b>2018</b>	<b>2018</b>	<b>2018</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Donations	199,223	-	199,223
Grants	-	68,978	68,978
	<u>199,223</u>	<u>68,978</u>	<u>268,201</u>

**3. INCOME FROM CHARITABLE ACTIVITIES**

	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Hosting fees	187,497	-	187,497	331,216
Recharges	23,806	-	23,806	43,793
Merchandise	1,150	-	1,150	1,174
Other Income	5,540	-	5,540	-
	<u>217,993</u>	<u>-</u>	<u>217,993</u>	<u>376,183</u>

All income from charitable activities in 2018 was unrestricted. Hosting fees of £8,206 (2018 - £98,927) were designated during the year.

INVICTUS GAMES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

4. INCOME FROM OTHER TRADING ACTIVITIES

	2019 Unrestricted £	2019 Restricted £	2019 Total £
Income from trading subsidiary	<u>113,800</u>	<u>-</u>	<u>113,800</u>
<b>2018</b>			
	2018 Unrestricted £	2018 Restricted £	2018 Total £
Income from trading subsidiary	<u>292,534</u>	<u>50,000</u>	<u>342,534</u>

5. ANALYSIS OF EXPENDITURE ON RAISING FUNDS

2019	Direct costs £	Support costs £	Total 2019 £
Fundraisers	58,164	-	58,164
Cost of sales and administration in trading subsidiary	67,269	8,731	76,000
	<u>125,433</u>	<u>8,731</u>	<u>134,164</u>
<b>2018</b>			
	Direct costs £	Support costs £	Total 2018 £
Fundraisers	-	27,526	27,526
Cost of sales and administration in trading subsidiary	-	47,302	47,302
	<u>-</u>	<u>74,828</u>	<u>74,828</u>

All expenditure on raising funds was unrestricted in this year and the previous year.

**INVICTUS GAMES FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

<b>2019</b>	<b>Direct costs</b>	<b>Support costs</b>	<b>Total 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Games time	25,125	-	25,125
Operations and Administration	233,594	157,390	390,984
Staffing	160,668	70,982	231,650
WIS	104,340	15,863	120,203
Communications	48,645	20,848	69,493
	<u>572,372</u>	<u>265,083</u>	<u>837,455</u>
<b>2018</b>	<b>Direct costs</b>	<b>Support costs</b>	<b>Total 2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Games time	63,680	-	63,680
Operations and administration	213,762	112,556	326,318
Staffing	131,340	105,869	237,209
WIS	26,232	11,767	37,999
Communications	-	43,938	43,938
	<u>435,014</u>	<u>274,130</u>	<u>709,144</u>

Within direct costs, £25,000 (2018 - £68,382) is restricted expenditure while £547,372 (2018 - £366,632) is unrestricted. Within support costs, £36,665 (2018 - £13,931) is restricted expenditure while £228,418 (2018 - £260,199) is unrestricted.

**7. SUPPORT AND GOVERNANCE COSTS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Staff costs	40,370	65,505
Other staff costs	8,744	77,796
Administration expenses	135,756	149,575
IT expenses	12,594	7,292
	<u>197,494</u>	<u>300,168</u>
Audit and professional costs	27,320	18,430
Legal fees	49,000	30,360
	<u>76,320</u>	<u>48,790</u>
Total governance costs	<u>76,320</u>	<u>48,790</u>
Total support costs	<u><u>273,814</u></u>	<u><u>348,958</u></u>

Support costs are those which allow charitable activities to be carried out but which do not relate directly to an activity. Staff costs include only employed members of staff. Other staff costs include amounts paid to consultants. Governance costs are those which are attributable to the Group's compliance with constitutional and statutory requirements, including audit. Legal costs have increased in 2019 due to the support generously provided to the charity by Clifford Chance, through the donation in kind.

**INVICTUS GAMES FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**STAFF COSTS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	217,291	85,705
Social security costs	21,732	6,520
Pension costs	6,007	1,353
	245,030	93,578

The number of higher paid employees was:

	<b>2019</b>	<b>2018</b>
In the band £60,000 – £70,000	1	-
In the band £80,001 – £90,000	1	-
	1	-

The charity Trustees were not paid and did not receive any other benefits from services to the Foundation in the year (2018 - £Nil), neither were they reimbursed for any expenses incurred during the year (2018 - £Nil). No charity Trustee received payment for professional or other services supplied to the charity (2018 - £Nil).

Key management of the charity is considered to be the CEO and Operations Director. The combined total costs of the CEO and the employee benefits of key management personnel of the Trust was £189,330 (2018: £94,080).

The average number of employees during the year was 4 (2018 - 2).

**8. NET INCOME**

Net income is stated after charging:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Operating lease building rental payments	23,775	18,023
Foreign exchange differences	(2,367)	(454)
<u>Fees payable to the auditor:</u>		
Audit fee	7,995	5,230
Tax advisory	4,200	2,050
Other financial services	15,125	11,150

**INVICTUS GAMES FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**9. FIXED ASSET INVESTMENTS (COMPANY)**

**Investments in subsidiary companies**

	<b>£</b>
<b>Cost or valuation</b>	
Cost at 1 January 2019 and 31 December 2019	1
<b>Net book value</b>	
At 31 December 2018 and 31 December 2019	1

**Subsidiary undertakings**

The following was a subsidiary undertaking during the year:

	Total funds	Holding
IGF Trading Limited (10612245)	1	100%

The wholly owned trading subsidiary IGF Trading Limited is incorporated in England (company number 10612245) and pays all of its profits to the charity under the gift aid scheme. IGF Trading Limited's primary purpose is to carry out commercial activities to the benefit of Invictus Games Foundation.

The summary financial performance of the subsidiary IGF Trading Limited alone is:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Turnover	130,467	325,867
Cost of sales and admin costs	(87,708)	(45,902)
Governance costs	(8,525)	(1,400)
	34,234	278,565
Net profit	34,234	278,565
Brought forward capital and reserves	1	96,120
Amount gift aided to charity	(34,234)	(374,684)
	1	1
Retained in subsidiary		

**10. CURRENT ASSET INVESTMENTS**

	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash on deposit	-	-	249,993	249,993
	-	-	249,993	249,993

**INVICTUS GAMES FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**11. DEBTORS**

	<b>Group 2019 £</b>	<b>Charity 2019 £</b>	<b>Group 2018 £</b>	<b>Charity 2018 £</b>
Trade debtors	18,000	-	2,240	-
Amounts owed by group undertakings	-	174,683	-	315,707
Other debtors	7,338	7,338	916	-
VAT debtor	24,536	24,536	20,495	20,495
Prepayments and accrued income	16,472	16,472	105,761	105,761
	<u>66,346</u>	<u>223,029</u>	<u>129,412</u>	<u>441,963</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group 2019 £</b>	<b>Charity 2019 £</b>	<b>Group 2018 £</b>	<b>Charity 2018 £</b>
Trade creditors	36,027	5,273	14,175	13,930
Accruals and deferred income	299,486	234,786	68,052	66,078
Social security and other taxes	11,157	11,157	9,482	6,781
Amounts owed to group undertakings	-	1	-	1
Other creditors	1,694	1,694	1,683	1,681
	<u>348,364</u>	<u>252,911</u>	<u>93,392</u>	<u>88,471</u>

	<b>Group 2019 £</b>	<b>Charity 2019 £</b>	<b>Group 2018 £</b>	<b>Charity 2018 £</b>
<b>Deferred income</b>				
Deferred income at 1 January 2019	38,000	38,000	25,000	25,000
Resources deferred during the year	270,262	208,712	38,000	38,000
Amounts released from previous years	(38,000)	(38,000)	(25,000)	(25,000)
Deferred income at 31 December 2019	<u>270,262</u>	<u>208,712</u>	<u>38,000</u>	<u>38,000</u>

Deferred income relates to hosting fees and sponsorship income for the Invictus Games taking place after the year end.

INVICTUS GAMES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

13. GROUP STATEMENT OF FUNDS

	Balance at 1 January 2019 £	Income £	Expenditure £	Balance at 31 December 2019 £
<b>Designated funds</b>				
Designated funds	94,216	8,206	(10,000)	92,422
<b>General funds</b>				
General funds	763,419	942,097	(899,954)	805,562
Total unrestricted funds	857,635	950,303	(909,954)	897,984
<b>Restricted funds</b>				
'We are Invictus' App	-	25,000	(25,000)	-
IGF Conversation and Invictus Games team support	-	50,000	-	50,000
Beyond the Games Communications	-	33,250	-	33,250
Communications	36,665	-	(36,665)	-
Total restricted funds	36,665	108,250	(61,665)	83,250
Total of funds	894,300	1,058,553	(971,619)	981,234

PRIOR YEAR

	Balance at 1 January 2018 £	Income £	Expenditure £	Balance at 31 December 2018 £
<b>Designated funds</b>				
Designated funds	-	94,216	-	94,216
<b>General funds</b>				
General funds	691,354	773,724	(701,659)	763,419
Total unrestricted funds	691,354	867,940	(701,659)	857,635
<b>Restricted funds</b>				
Forces in Mind Trust research	-	55,047	(55,047)	-
Restricted donation	-	13,931	(13,931)	-
Communications	-	50,000	(13,335)	36,665
Total restricted funds	-	118,978	(82,313)	36,665
Total of funds	691,354	986,918	(783,972)	894,300

## INVICTUS GAMES FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The specific purposes for which the funds are to be applied are as follows:

#### **Designated funds**

These have been designated by the trustees for the Wounded Injured and Sick (“WIS”) community.

#### **IGF Conversation and Invictus Games team support**

This fund is to be used to finance the attendance at the Invictus Games, The Hague, of Team Iraq together with their family and friends. In addition, it will help support the IGF Conversation entitled ‘Sharing the Invictus Spirit’ to be held just before the Games, now scheduled for 2021. The focus is on themes of measuring impact and recognising the importance of resilience in WIS and also their family and friends who perform such a critical role in supporting them.

#### **Beyond the Games**

This fund is to support the role performed by our WIS liaison manager who directly supports our WIS community.

#### **‘We are Invictus’ App**

The fund was used to help build a new WIS online platform and application (‘app’) for Apple and Android devices. This new virtual community (‘WIS Noticeboard’) for WIS was designed to offer a safe and secure space to support one another and take up opportunities to support personal recovery and rehabilitation journeys. The app also gives WIS access to international events and opportunities ‘Beyond the Games’.

#### **Communications**

Restricted income was received from “There But Not There” and was used for communication director costs.



**INVICTUS GAMES FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**14. GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>
Current assets	1,246,348	83,250	1,329,598
Creditors due within one year	(348,364)	-	(348,364)
	897,984	83,250	981,234

**GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>
Current assets	951,027	36,665	987,692
Creditors due within one year	(93,392)	-	(93,392)
	857,635	36,665	894,300

**15. OPERATING LEASE COMMITMENTS**

At 31 December 2019, the group had future minimum lease payments under non-cancellable operating leases as follows:

**Land and Buildings**

	<b>2019 £</b>	<b>2018 £</b>
Under 1 year	9,540	3,000

All of the operating leases were held within the parent company only.

## INVICTUS GAMES FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 16. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme for the benefit of its employees. The amount recognised as an expense in the year was £6,007 (2018 - £1,353). There were no amounts owed to the scheme as the year end (2018 – £Nil).

All pension costs are unrestricted as the income received to be spent on staff costs is unrestricted.

#### 17. RELATED PARTY TRANSACTIONS

The Foundation paid the sum of £94,958 (2018 - £94,050) to Plunkett & Murrey Limited (trading as Reid and Reid Ceremonial & Event Consultants), a company under the control of John Dominic Reid OBE, CEO of the Foundation, for his services during the year. There were no amounts outstanding at the year end.

During the year, two of the Trustees of Invictus Games Foundation were also Directors of The Royal Foundation of the Duke and Duchess of Cambridge in the year. At the year-end one of the Trustees of the Invictus Games Foundation was also a Director of The Royal Foundation of the Duke and Duchess of Cambridge. During the year, The Royal Foundation of the Duke and Duchess of Cambridge made a donation to the Charity of £50,000 (2018: Nil).

No other related party transactions took place during the financial year (2018: £Nil).