

FORCES IN MIND TRUST

England & Wales · Charity number 1145688

Details

Status Registered

Legal form Trust

Company number [07855145](#)

Registered 2012-01-31

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: 5 THE OBJECTS ARE:5.1 THE PREVENTION AND RELIEF OF POVERTY,THE PROTECTION OF MENTAL AND PHYSICAL HEALTH AND THE RELIEF OF SICKNESS AND NEED AMONGST SERVING AND FORMER SERVING MEMBERS OF THE ARMED FORCES BY MEANS OF THE PROVISION OF MENTORING, SERVICES, FACILITIES AND EQUIPMENT TO SUPPORT THEIR TREATMENT, REHABILITATION, RESETTLEMENT, EDUCATION, TRAINING AND EMPLOYMENT AND THEREBY SUPPORT THEIR TRANSITION TO CIVILIAN LIFE; AND5.2 THE PROTECTION OF THE MENTAL AND PHYSICAL HEALTH, AND THE RELIEF OF POVERTY OF THE FAMILIES AND DEPENDANTS OF SERVING AND FORMER SERVING MEMBERS OF THE ARMED FORCESIN ALL CASES FOR THE BENEFIT OF THE PUBLIC.

Activities: Prevention and relief of poverty, mental and physical health, the relief of sickness and need amongst serving members of the Armed Forces, veterans and their families. The provision of mentoring, services, facilities and equipment to support their treatment, rehabilitation, resettlement, education, training and employment in their transition to civilian life.

Classification

- **How:** Makes Grants To Organisations, Sponsors Or Undertakes Research
- **What:** The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Armed Forces/emergency Service Efficiency
- **Who:** Other Defined Groups

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£241,258	£2,334,200	-	-
2024-12-31	£401,056	£1,846,219	-	-
2023-12-31	£343,396	£2,683,597	-	-
2022-12-31	£299,694	£5,412,520	-	-
2021-12-31	£364,559	£2,747,514	-	-
2020-12-31	£455,695	£5,256,073	-	-

Trustees

Name	Role	Appointed
FIM TRUSTEE LIMITED		2012-08-02

FORCES IN MIND TRUST

England & Wales - Charity number 1145688

Accounts

Charity number: 1145688

Forces in Mind Trust

Audited Report and financial statements

For the year ended 31 December 2025

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For the year ended 31 December 2025

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Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2025

Charity number 1145688

Registered office Alexandra House
St Johns Street
Salisbury
SP1 2SB

Operational address Mountbarrow House
6-20 Elizabeth Street
London
SW1W 9RB

Country of registration England and Wales

Trustee FIM Trustee Ltd

Principal staff	Michelle Alston	Chief Executive
	Tom McBarnet	Director of Programmes
	Caroline Cooke	Head of Policy
	Rodrigo Voss	Head of Operations & Governance
	Clare Crookenden	Grants & Programmes Manager

Bankers Barclays Bank UK PLC
1st Floor
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London
W1D 3QR

Solicitors Wilsons Solicitors LLP
Alexandra House
St Johns Street
Salisbury
SP1 2SB

Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2025

Auditor Price Bailey LLP
Chartered Accountants
Statutory Auditors
24 Old Bond Street
London
W1S 4AP

Investment Manager Sarasin and Partners
Juxon House
100 St. Paul's Churchyard
London
EC4M 8BU

The Forces in Mind Trust has a single corporate Trustee, FIM Trustee Limited.

The Directors of FIM Trustee Limited during the period 1 January 2025 to 31 December 2025 were:

Chair	L Macleod CB CVO	Chair of the Board
Director	K Alpin	Board Member
Director	S Chadwick	Vice Chair of the Board (Appointed June 2025)
Director	R Hornsby-Clifton	Chair of the Audit and Risk Committee
Director	Maj Gen Retd T D Hyams CB OBE	Board Member
Director	K McCullough	Board Member
Director	Professor D Murphy	Board Member
Director	A Skelton	Board Member
Director	E Spencer	Member of the Audit and Risk Committee

The Trust's Honorary President is Air Vice-Marshal Retd A J Stables CBE.

Chair's Foreword

As Chair of Forces in Mind Trust, I am pleased to reflect on another year of meaningful and impactful work, as the Trust continues to build on its strong track record of improving outcomes for former Service personnel and their families. This year has reaffirmed the importance of FiMT's mission and the value of the role we play in the system.

We have placed a growing emphasis on ensuring our evidence is not only generated, but actively used, shared and applied to influence policy and service delivery. This feels particularly important at a time of rapid change in the defence and security landscape, and the increasing pressure on public services.

This last year also marked a shift into the final phase of FiMT's lifespan as we move towards our planned spend out in 2031. As we start to plan for this, we have remained focused on maximising our impact and using what we know to effect real and lasting change. We know our evidence base is at its most powerful when it is actively put to work, informing decisions, shaping thinking, and improving outcomes where it matters most. Importantly, we have also focused on greater engagement outside the military community to help increase a greater understanding of their needs to ensure that mainstream services are more Armed Forces aware, resulting in more effective support for the community.

A significant focus of our work this year has been on the development and publication of our latest research report *Our Community, Our Covenant and Beyond*, which examines local realities and progress achieved in Armed Forces Covenant delivery. This has provided local authorities, government and other statutory organisations with the evidence to enable the most effective delivery of support. The report includes examples of good practice that can be adapted to their local context, as well as insights into the benefit of effective partnerships, and practical support through an updated toolkit. Its publication was particularly well timed as the government seeks to extend the scope of the Covenant duty to include central government, devolved nations, and wider policy areas.

Helping others to understand the modern challenges of transition has always been key to our work. Therefore, we were pleased to be able to highlight in our *Understanding the Transition from Military to Civilian Life* report published in November that progress has been made in how those transitioning to civilian life are supported by government and the single Services. However, the report noted that progress was not uniform, and whilst most Service leavers go on to make a positive contribution to society, the evidence shows that poor transitions continue to be a substantial cost to society. We will continue to use this evidence with policy makers to emphasise the importance of a through career approach to transition, including effective

Chair's introductory report

For the year ended 31 December 2025

preparation, and support from the military chain of command to ensure service leavers are able to lead fulfilling and successful civilian lives.

I strongly believe one of FiMT's enduring strengths has been our ability to bring attention to parts of the Armed Forces community whose experiences and needs are less well understood. Building insight into these cohorts is essential if we are to ensure that everyone is properly supported to transition successfully into civilian life. As part of this ongoing commitment, we published a series of reports in 2025 focused on groups who are often under-represented in research and policy. These included a study exploring the experiences of Servicewomen during and after their service, with the aim of identifying better ways to support their transition to civilian life; a report examining the barriers faced by former personnel when accessing the benefits system; and two research projects with Service personnel and veterans from ethnic minorities to explore the impact of service their health outcomes after leaving the Armed Forces.

Within transition, the role of the family and the impact of transition on the family itself does not always gain the prominence it deserves. We recognise this at FiMT and remain deeply committed to strengthening the policies and systems that support Armed Forces families. Reflecting this focus, 2025 has seen the release of major studies on the family, including an ongoing project on engaging families in transition, and *Living in Our Shoes Revisited*, which reviews progress and the challenges families continue to face. This has been complemented by new work on Service children and young people, including a research commission exploring their own experiences of transition, and the funding of the Service Children's Progression (SCiP) Alliance Impact Centre, working with the SCiP Alliance to translate evidence into policy and impact for this cohort.

2025 marked the conclusion of our highly influential ten-year Mental Health Research Programme and we published a report to highlight the value of its work and the change it had supported. The impact of this work reflects the contribution of a wide range of partners, including researchers, clinicians, policy makers, charities, and, most significantly of all, tens of thousands of members of the Armed Forces community that have taken part in research over the past decade and is a fantastic example of how FiMT does not just act as a grant funder, but also a convenor of stakeholders and a catalyst for change.

The Centre for Evidence for the Armed Forces Community, funded by FiMT, has had another successful year building on its past progress and we remain proud of what has been achieved through our partnership with them. The underpinning philosophy of the Centre in the provision of free access to a leading repository of research, as well as high quality policy and evidence summaries is proving to be hugely successful, both in

Chair's introductory report

For the year ended 31 December 2025

the UK but also on the international stage. Ensuring evidence is accessible and usable remains essential for effective decision making across the sector.

Within FiMT itself, as well as the strategic planning that has been undertaken to support the spend out, the Board has also maintained a strong focus on governance and oversight. Our 2024 audit was completed without qualification and without any findings or recommendations. In addition, a recent external review of our Board effectiveness concluded that FiMT's governance arrangements are extremely effective and appropriate for the size and scale of the organisation, and noted the benefits of our stronger focus on strategy, risk management and organisational delivery. I am extremely proud of the Executive and my fellow Board members, without whose hard work these fantastic results would not have been possible. Our governance was also strengthened through Stephen Chadwick joining as our new Vice Chair in 2025, who brings with him valuable skills following an extremely successful career in the commercial sector.

As we approach our final six years, we remain focused on being as impactful as possible, not just within our lifetime but on enabling this impact to endure long past our closure in 2031. We remain committed to ensuring that former personnel and families are supported into fulfilling civilian lives and to strengthening the system around them through an evidence based and collaborative approach. I remain delighted with what we are achieving.

L Macleod CB CVO

Chair, Forces in Mind Trust

February 2026

Introduction

The Directors of the Trustee (FIM Trustee Limited) present their Report, together with the audited financial statements of Forces in Mind Trust for the year ended 31 December 2025.

Reference and administrative information set out on pages 1 to 3 forms part of this report. The financial statements comply with current statutory requirements, the charity's trust deed and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP (2019) applicable to charities preparing their accounts in accordance with FRS 102.

The Directors would like to express their gratitude for the continued support and engagement of the Trust's Protector, Alison Paines, whose report is included below.

Comment on Protector's Report

The current Protector was appointed in December 2021 by the National Lottery Community Fund; her role and responsibilities are fully described in her Report. The Directors welcome, and are encouraged by, the comments contained in the Protector's Report. The Protector's attendance at Board meetings contributes positively to the Trust's development, and the Board is grateful to her considered advice.

Objectives and activities

Purposes and aims

Forces in Mind Trust (FiMT, or the Trust) is a registered charity (Charity number: 1145688) which has as its charitable aims:

The prevention and relief of poverty, the protection of mental and physical health and the relief of sickness and need amongst serving and former serving members of the Armed Forces by means of the provision of mentoring, services, facilities and equipment to support their treatment, rehabilitation, resettlement, education, training and employment and thereby support their transition to civilian life;

and

The protection of the mental and physical health, and the relief of poverty of the families and dependants of serving and former serving members of the Armed Forces in all cases for the benefit of the public.

The Directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities and are confident that the Trust's activities meet the Charity Commission's requirements with regard to public benefit. In particular, the Directors considered how the planned activities will contribute to the aims and objectives that have been set. In its fourteenth year of operation, FiMT has taken significant steps towards delivering the impact its Founder intended by continuing work using the strong foundations that were laid in the first thirteen years of its planned 20-year life. The Directors review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period.

The conceptually well-targeted grant-giving programme, supported by strategic influence activities, has remained at the core of the Trust's activities, with an increasing emphasis on commissioning and co-creation versus responsive funding.

Achievements and performance

The Trust's main activities in the course of the year are described below. All charitable activities ultimately focus on ex-Service personnel and their families and are undertaken to further our charitable purposes for the public benefit.

Grants and Commissioning Plan

During the period, nine awards were made (previous period six), listed below. Other costs related to the Grants and Commissioning Plan totalled £nil (2024: £88,973). Full details of amounts and types of grants can be found at Note 5 to the financial statements and on the Trust's website (section 'Projects we have funded' www.fim-trust.org/what-we-fund/projects-funded/). Grants made in 2025 were:

- Understanding the lived experience of Armed Forces children and young people as they transition out of the military and into civilian life, Brunel University London
- Forecasting the Future Role of Charity Mental Health Provision for the Armed Forces, Combat Stress
- Ex-Military Status and Custodial Sentencing Outcomes, University of Nottingham
- Primary care assessment for UK Military Veterans, Northumbria University
- CPRD: Devolved Nations: Exploring veterans physical & Mental Health needs using the Clinical Research Practice Datalink, King's College London

- Transforming veterans' welfare services in the UK through trauma-informed approaches, University of Salford
- SCiP Alliance Impact Centre, University of Winchester
- Catterick Outreach Service, Gateshead Council
- Solving the problem of poor engagement with transition to civilian life within the Armed Forces community (Phase 2), THINKS Insight & Strategy

The Trust's aim is to create the conditions for enduring, positive change. The impact of previous years' grant awards, and also where appropriate those listed previously, is described in the following section on Impact and Influence.

Since 2011, FiMT has worked with organisations and key stakeholders across the public, private and voluntary sectors, and funded research and other influence activities that we believe have significantly contributed to our mission. However, research continues to show that not all Service leavers and their families make a successful transition, and significant challenges remain. We therefore need to consider how we adjust our approach to complement an ever-changing environment and maximise our impact. Our focus is on generating impact at a strategic level by understanding the context and factors that affect successful achievement of our goals. We aim to further increase our impact through informed and proactive commissioning and influence, and better exploitation of the evidence we generate to change policy and service provision.

Building on the strategic direction set in 2024, the Trust's well-targeted grant-giving programme, supported by strategic influencing and convening activities, remained at the core of our work in 2025, with a continued emphasis on commissioning and co-creation rather than responsive funding. Our prioritisation framework – grounded in evidence, informed by contextual horizon scanning and engagement with partners and stakeholders – guided all grant and commissioning decisions, ensuring close alignment with our mission and with the Board's agreed focus on maximising impact ahead of the Trust's planned spend-out by November 2031.

In 2025, our mission spend was again structured around three core strands: evidence generation, leveraging evidence and influencing, and 'moonshot' funding.

- Evidence-generation projects included new research and evaluations designed to inform policy, programme development and service improvement for ex-Service personnel and their families.
- 'Leveraging-of-evidence' and influencing activities focused on translating existing findings into practice, including work to improve implementation of the Armed Forces Covenant by local

authorities, to strengthen veterans' recognition within the welfare and benefits system, and to better support those former personnel within the criminal justice system.

- Moonshot funding was used to support innovative initiatives with potential for transformative impact, notably our phased project addressing the persistent challenge of engaging Service families with transition, which moved into its discovery and co-creation stages during the year.

Several significant awards and commissions were made under our framework. These included a grant to the University of Salford to support the Ministry of Defence in developing and implementing a trauma-informed programme within its welfare services for veterans, building directly on FiMT-funded evidence on social security and trauma-informed practice. We also awarded the second phase of our 'moonshot' project on transition engagement to Thinks Insight, to identify and co-create potential interventions to improve families' agency and involvement in the transition journey.

Further work progressed on families and children, including on the continuing Living in Our Shoes Revisited study and related commissions on service children and young people, which are informing wider policy discussions and sector collaboration through Cobseo's Children and Young People cluster.

Alongside these, we continued to support projects focused on health and wellbeing – including preparation for future health-related grant making through the establishment of a Health Expert Review Panel – and on improving awareness of the Armed Forces community within mainstream public services, for example through criminal justice research and Covenant implementation work. We also developed our 'accelerator' grant model to foster more collaborative practice, particularly in areas such as housing, where evidence shows that co-ordinated provision is critical to better outcomes.

Taken together, the 2025 Grants and Commissioning Plan represented a further shift towards a more proactive, commissioned and outcomes-focused portfolio, with a balanced mix of new awards, continuation of strategic initiatives and accelerator activity. This approach is intended both to ensure that the Trust's remaining resources are deployed in a targeted and prudent way over the period to 2031 and to retain sufficient flexibility to respond to emerging needs and opportunities as the environment for ex-Service personnel and their families continues to evolve.

The total value of the 2025 awards, less other costs related to the Grants and Commissioning Plan was £1.311 million (previous period £ 735k). Total charitable expenditure for the year amounted to £2.173 million (previous period £1.681 million).

Operational Considerations

The majority of FiMT staff costs are not categorised as overheads but are instead directly associated with the delivery of FiMT's objectives and mission. As FiMT approaches the end of its operational life, the proportion of grant expenditure versus staff resources may change significantly, with the likelihood of external expenditure on grants reducing relative to staff and operational costs. However, this will enable FiMT to use its leveraging and convening power to ensure key stakeholders understand the evidence available and can collaborate to determine potential solutions. With well-targeted Executive Team activity, this wealth of evidence and knowledge has the potential to deliver significant impact in the coming years

Impact and Influence

Impact

The Trust has played an influential role in supporting the successful and sustainable transition of ex-Service personnel and families, leveraging its investment in a credible evidence base to inform both its own influencing activity and that of other organisations working to address the issues experienced by the ex-Armed Forces community.

This year, the Trust has continued to implement the strategic and priority outcome areas identified in 2024, seeking to balance projects delivering long-term change with those that can materially impact near-term service delivery and practice. While this has provided a continuity of strategic approach the benefits of which will manifest in later years, this year has also seen the publication of some 14 substantial reports from earlier grants that continue to strengthen the foundational impact of Trust work by bolstering the available evidence base on the Armed Forces Community and particularly those in transition out of service.

Of note:

Our Community, Our Covenant and Beyond. This is the fourth in a series of studies funded by Forces in Mind Trust (FiMT) examining the local implementation of the Armed Forces Covenant. Building on the previous studies, which addressed the core aspects of Covenant delivery and its impact, this research examines the local realities of the Covenant's implementation, including different local and regional delivery models, partnerships, and structures. The Trust also convened a launch event where this study and an accompanying report describing findings from five in-depth case studies of distinct local Covenant delivery models, were published to a large audience of stakeholders. However, this year the impact of the Trust's engagement on Covenant has gone beyond evidence generation, as the MOD have valued the Trust's role in presenting and running a seminar at their annual Covenant Conference and co-chairing the Community and Covenant Action Group which oversees Covenant implementation across the UK.

Understanding the Transition from Military to Civilian Life. This research examines the progress achieved over the past ten years since the Trust's first report on transition but also the contemporary challenges faced by Service leavers today and the impact of future changes in the external environment. The findings show that while there is now a substantial ecosystem of support, persistent barriers remain for those seeking to prepare for transition, their families and in creating a more coherent support system that focuses on those who struggle the most. This report was accompanied by an associated study into the cost of poor transition, quantifying the negative impact of failing to get support measures right.

Identifying and Examining the Barriers and Facilitators to Ex-Servicewomen Making a Successful and Sustainable Transition to Civilian Life in the UK. This research combined new evidence and insights from ex-servicewomen on their experiences both during and after service, with an in-depth analysis of available data on the outcomes for ex-servicewomen compared to ex-servicemen and civilian women. Through this research, a better understanding of their transition experiences and needs has been delivered, which has been lacking in research to date, and which will inform both policy and practice not least the recently announced Government forum on Women Veterans issues.

Understanding the Impact of Serving in the British Armed Forces for Ethnic Minority Veterans and their Families AND Participatory Research Exploring How Gurkha and Fijian Veterans of the UK Armed Forces Describe Their Experiences. Reports from two studies, the first addressing a notable lack of research focused on ethnic minority service persons and offering valuable insights into the motivations, challenges, and nuanced post-service experiences of ethnic minority veterans. The second report tackled a gap in understanding of transition to civilian life for Gurkha and Fijian service persons and their families, so that the impact of their service could be better understood, any changes needed could be identified and addressed, and support improved where required. In both cases, these studies delivered evidence with the potential to transform the understanding of diversity in the military and to improve the experiences of future generations of service personnel.

Navigating the Minefield: Veterans' Experiences of the Benefit System Over Time. Building upon the evidence presented by two earlier reports, this work evidenced the continuing requirement for a greater understanding of the needs of veterans and helped support the Department of Work and Pensions (DWP) development of an Armed Forces marker, enhanced training and greater provision of Armed Forces Champions within social security settings.

10 Years of Impact for Armed Forces Mental Health. This report highlights some of the key achievements of the Trust's decade-long investment into veteran mental health research, bringing together the views of

experts working in the military and non-military mental health fields who helped to make the programme a success, and who continue to support the Trust in its ongoing work to improve transition outcomes, especially with regard to physical and mental health. During the period, recognition of veterans' mental health and its associated support has advanced markedly with this programme playing a part in that progress.

Influence

As ever, the Trust has sought to balance evidence generation activity with influencing and leveraging activity, recognising that while the two are intrinsically linked, the Trust also plays a credible and respected role in convening stakeholders to examine and progress issues beyond the scope of its current research programme.

As noted above, the Trust is recognised for its authoritative reporting on implementation of the Armed Forces Covenant. This year, in addition to presenting at the annual Covenant Conference in Glasgow, we shared the findings of our latest report at a key event with stakeholders and the Minister for Veterans and People. The Trust also submitted written evidence to the House of Commons Defence Select Committee inquiry into the Armed Forces Covenant, representing a significant opportunity to influence parliamentary scrutiny and debate on Covenant delivery. Further extending this influence, the Trust partnered with the Royal British Legion and Help For Heroes to host fringe events at both Labour and Conservative Party Conferences where delivery of the Covenant was the core theme.

2025 has been an important year for Government, with the development and launch of a new Veterans Strategy and the VALOUR programme to underpin veterans' support. As part of the process to develop these initiatives, the Trust has been regularly invited to contribute to consultations, as well as consultations regarding enabling survey and data collection work. The Trust continues to remain fully engaged with Government on how best to use its independent influence to support improved policy and service provision for serving and ex-serving personnel and their families. Alongside this, the Trust continues to seek to maintain a long-term approach toward the needs of veterans, championing projects that seek to future-proof current support provision and anticipate changing demands. In this context, the Trust has partnered with Combat Stress to deliver a seminar on forecasting the future requirements for veteran mental health provision at the annual Association of Charitable Foundations conference.

The Trust continue to work with devolved Governments, as well as Westminster, in support of its mission. During the year, the Trust participated in Cross Party Group consultations in Scotland, took part in a joint

charity and Office for Veterans Affairs group visiting Northern Ireland, and attended a Minister for Veterans and People hosted charity roundtable as part of the wider stakeholder engagement process to deliver a joined up Government and third sector approach to veterans' support.

Finally, understanding the unique impact of Service life upon families remains a key strategic outcome for the Trust. This year, the Trust has sponsored an online webinar launch of a major new study, funded by the Trust, into the lived experience of serving families, and also convened discussions with MOD and Service leads to explore key emerging findings. The Trust has also extended its engagement and influence activity beyond the military sector, engaging with non-military charity organisations support families and children to raise awareness of the specific challenges of service life with those delivering mainstream support in the civilian sector. Recognising that engagement with service families is a frequently cited issue, through its funded project work the Trust has also convened family engagement forums to more deeply explore the barriers to effective family communication on transition particularly.

A fuller description of the Trust's impact, influence and engagement can be found in the 2025 Impact Report <http://www.fim-trust.org/reports/>

Beneficiaries of our services

The beneficiaries of the Trust's services are serving and former members of the United Kingdom's Armed Forces, and their families. The Trust's strategy of achieving impact means that benefit is gained not by the direct provision of welfare, relief in need or other grants, but by influencing the shaping and development of the improvements made to the policy, support and preventative work provided by the public, private and voluntary sectors.

Financial review

At the end of 2025, the Trust held total unrestricted charity funds of £10.261 million (2024: £11.983 million). The Trust's continued investment in gilts has proved prudent, safeguarding the investment portfolio while maintaining strategic flexibility for potential future shifts. As of the close of 2025, the Trust held £2.182 million (2024: £3.503 million) in cash and cash-equivalent instruments managed by Sarasin & Partners, alongside £9.202 million (2024: £9.943 million) in fixed-income or liquid assets. These holdings are in addition to the funds available in the instant access bank accounts, detailed in the subsequent "Reserves" section.

The total value of the portfolio managed by Sarasin decreased by £2.063 million to £11.384 million (2024: £13.447 million), with an investment income of £241k (2024: £401.1k). With the Trust's requirement to fully spend its resources by November 2031, the Directors remain confident that the Grants and Commissioning Plan is appropriately calibrated. This plan includes provisions for monitoring, evaluation, and influencing efforts.

The Trust's non-grant-related expenses totalled £1.097 million in 2025 (2024: £1.090 million). The Directors are satisfied that these costs represent good value, aligning with the Board's strategic focus on maximising the Trust's impact and achieving its long-term objectives.

Principal risks and uncertainties

Throughout the year, the Directors assessed the principal risks to which the Trust is exposed, alongside the systems in place to mitigate them. The new Risk Register, introduced in 2024, continued to strengthen the Trust's risk management framework.

The principal risks identified include the potential misalignment of the Trust's strategy with its charitable objectives, failure to achieve the anticipated impact by 2031, and exposure to information security threats. Other risks include gross misconduct by senior management, non-compliance with regulatory requirements, staff recruitment and retention challenges, reputational risks from communication missteps, and misalignment of the investment strategy. Additionally, emerging risks such as ethical challenges in leveraging artificial intelligence and the implications of climate change on our mission have also been identified.

To mitigate these risks, the Trust has implemented an array of measures. Strategic reviews are conducted regularly, with the charitable objectives circulated to Directors to ensure alignment and clear reporting provided at Board meetings that highlight the activities the Trust is undertaking to achieve the priority outcomes. In terms of information security, a multi-layered approach has been adopted, including cybersecurity training, robust data protection measures, and incident response plans.

Governance is strengthened through policies addressing conflicts of interest, whistleblowing, and compliance with regulatory requirements. Recruitment and retention are safeguarded by initiatives such as personal development budgets, enhanced maternity policies, and an Employee Assistance Programme. Communication risks are managed through a social media policy and the involvement of external agencies

for sensitive messaging, when required. Our investment strategy, regularly reviewed by the Audit and Risk Committee, focuses on reliable income generation aligned with the Trust's objectives.

The Board also monitors residual risks, adapting mitigation strategies as necessary to respond to the dynamic external environment. For example, we are developing measures to integrate AI into operations responsibly and to embed environmental considerations into our strategy in line with sector best practices.

This proactive and comprehensive approach reflects FiMT's commitment to maintaining the highest standards of governance. It ensures that the Trust can continue to deliver its mission effectively while safeguarding its reputation, assets, and beneficiaries. We remain steadfast in our dedication to achieving lasting impact for the Armed Forces community and will continue to refine our risk management framework to address emerging challenges.

Investment policy

Given the instability of financial markets and the Trust's low risk appetite, the Board instructed Sarasin to:

- a. Maintain up to £6 million in cash instruments within a separate segregated mandate.
- b. Invest the remaining capital exclusively in UK Government bonds, which carry negligible market risk and are projected to deliver returns of approximately 3.5% over the remaining years.

The Trust's programmes and FiMT's operational costs are financed through a combination of investment income and cash withdrawals. To ensure effective financial management, Sarasin must accurately forecast investment income from the diminishing capital base, while FiMT must provide timely notice of anticipated cash withdrawals for the forthcoming 12 months, along with expected annual expenditure until 2031.

FiMT is entirely reliant on its endowment to fund its activities. To maximise returns, withdrawals are expected to occur only upon the maturity of each bond. However, this strategy poses potential risks if FiMT's expenditure or strategic needs require access to capital before bond maturities. Consequently, a robust Trust strategy is essential for precise cashflow planning, as any changes may impact returns.

Upon the maturity of each UK Government bond, the funds will be transferred to Sarasin's short-term cash portfolio and subsequently allocated to FiMT on a quarterly basis, as agreed with the Executive.

Reserves policy and going concern

FiMT distributes grants, awards commissions and funds the central team from both income and capital. The Trust's reserves policy is to maintain a minimum of 5 months operating costs and committed grant payments in a combination of an instant access bank account and short-term funds held by the Investment Manager.

Depending on the maturity dates of investments in UK Government bonds, the short-term portfolio, which is highly liquid, will currently hold no less than £1.27 million. Cashflow requirement is regularly reviewed by the FiMT Executive and quarterly by the ARC, and Sarasin informed of any significant changes, as required. For operational reasons, at least one month's forecast expenditure is maintained in an interest-earning, instant access, current account (currently Barclays Business). The balance of the funds is held by the Investment Manager in medium-term portfolios in accordance with the Investment Policy. The Directors consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Cash held in the instant access bank account is calculated to meet monthly cash flow forecasts and can be replenished at 24 hours' notice from the Investment Manager's cash/cash instruments. On 31 December 2025, cash flow for January-March 2026 was forecast to be £0.6M and instant access bank account holdings were £1.15M (31 December 2024 - £1.470M).

The Directors do not consider that there are any sources of reasonable uncertainty at the reporting date that have a significant risk of causing a material adjustment to the amounts of assets and liabilities carried within the next reporting period. Directors are aware that there are net current liabilities, but this is principally due to timing and the fact that liabilities are recognised in full for the following 12 months. There is no corresponding income recognised. In addition, the Trust has significant resources available in fixed income asset investments which could be drawn down as required to fund working capital.

Plans for the future

Looking ahead, the Trust remains firmly committed to delivering on its strategic objectives while preparing for the organisation's planned spend-out by November 2031. The February 2025 Board Away Day provided a pivotal moment to reflect on the Trust's long-term legacy and explore potential pathways for sustaining impact beyond the life of the endowment. Directors reaffirmed the importance of maintaining flexibility and agility in the final years, ensuring that governance and delegation structures continue to support effective delivery.

Building on this foundation, the February 2026 Board Away Day focused on deepening the Board's shared understanding of the principles, opportunities, and risks associated with an effective and well-governed spend-out. The session included a strategic check-in to assess whether any adjustments were needed to the current framework, alongside a structured discussion on the values and behaviours that should underpin FiMT's closure. Directors also considered how to maximise the Trust's influence and impact in its final years, drawing on insights from peer organisations and the evolving needs of the Armed Forces community.

This forward-looking approach ensures that FiMT remains both purposeful and responsive as it moves into the final phase of its mission.

Operationally, the Trust will continue to prioritise disciplined delivery, prudent resource management, and adaptive planning as it progresses towards 2031. The Executive Team will maintain a dual focus: delivering against current strategic priorities while laying the groundwork for a well-managed closure. This includes refining internal processes to ensure transparency and accountability, strengthening knowledge management systems to support the preservation and transfer of institutional learning, and maintaining the flexibility to respond to emerging opportunities. As part of its commitment to responsible stewardship, FiMT will further embed scenario planning, risk management, and stakeholder engagement into its operational rhythm, ensuring that every decision contributes to a coherent and impactful legacy.

Structure, governance and management

Forces in Mind Trust is an unincorporated charity, registered as such on 31 January 2012. It was established under a sole corporate trustee, FIM Trustee Limited (the Trustee), on 21 November 2011, with the Trust Deed formalised between BIG (the Founder) and the Trustee on 28 November 2011. BIG is now known as the National Lottery Community Fund.

All Directors voluntarily contribute their time and receive no remuneration or benefits from the charity. Any expenses reclaimed are detailed in Notes 4 and 7 of the accounts.

The Board convenes quarterly, with the Protector of the Trust also attending these meetings.

The Audit and Risk Committee (ARC) meets quarterly to review pertinent issues, monitor the Executive Team's activities, and provide guidance. The ARC submits a written report to each Board meeting.

The Chief Executive holds delegated authority to award grants within an agreed limit. Applications exceeding this threshold, those outside the standard framework, or those deemed novel or contentious are referred to the Board for consideration.

The Board actively evaluates the impact of completed and ongoing projects and draws on key learnings to shape future initiatives over the next 12–18 months. The Executive Team is responsible for implementing the Board's strategy, ensuring opportunities for impact align with the Board's direction and risk appetite.

In August 2025 the Trust's Mental Health Research Programme (MHRP) came to an end, marking the end of its ten-year funding cycle that began in 2015. The MHRP was guided by a Steering Group under the remunerated chairmanship of the Chief Executive of the Centre for Mental Health. The Steering Group

provided expert advice to both the Board and the Executive Team but did not have grant-awarding authority. A Director also attended Steering Group meetings.

Formerly known as the FiMT Research Centre, the Centre was rebranded in May 2025 as the Centre for Evidence for the Armed Forces Community, funded by FiMT to better reflect its mission of placing evidence at the heart of decision making for the Armed Forces community. The Centre operates as an independent grantee, managed by a consortium of RAND Europe and the King's Centre for Military Health Research at King's College London, under a five-year grant agreement with Forces in Mind Trust. Given the size and strategic importance of its grant to the Trust's legacy, the Board maintained a keen interest in its strategic oversight. The Centre continues to work to become sustainable once the FiMT grant ends, noting the Trust's role as a catalyst rather than a permanent funder and our spend out nature.

Equality, Diversity and Inclusion

The Trust is deeply committed to promoting Equality, Diversity, and Inclusion (EDI) across all aspects of its work. The Board continues to reaffirm that an equitable and inclusive approach is central to the Trust's decision-making on funding and commissioning, as well as its policy-influencing activities. The rigorous processes used to develop grant applications, commission projects, and generate research evidence ensure that the diversity within the ex-Service community is carefully considered and meaningfully reflected in the Trust's initiatives. This commitment to inclusivity ensures that the Trust addresses the full range of needs within this community.

The Trust also prioritises EDI in its organisational composition. Recruitment campaigns for new Directors and staff are designed to be open, transparent, and widely publicised to attract a diverse pool of candidates. By integrating EDI into both its external mission and internal culture, Forces in Mind Trust continues to ensure that its work is reflective of, and responsive to, the diverse experiences and needs of the ex-Service community.

Funders Commitment to Climate Change (FCCC)

The FCCC recognises that charitable trusts and foundations, such as Forces in Mind Trust, have a crucial role to fulfil in the united effort to mitigate and adapt to the impact of climate change. Across our investments, grant making and operations, the Trust considers the opportunities to contribute to the prevention and mitigation of the climate emergency, cognisant of the potential impact due to our unique and privileged position as an influential funder working within a large network.

Trust Staff and Office Space

The Executive Team continues to operate both remotely and from the Trust's offices at Mountbarrow House in London. The Trust has maintained its lease with Grosvenor Estates, which includes a rolling break clause enabling FiMT to terminate the agreement with six months' notice from June 2026. This arrangement reflects FiMT's commitment to prudent resource management and future adaptability, mitigating financial risks while ensuring flexibility to accommodate the organisation's evolving requirements. In parallel with the Trust's strategic planning towards 2031, the Executive Team will continue to review the ongoing need for dedicated office space to ensure future decisions remain aligned with FiMT's objectives, whilst the current approach supports operational continuity and allows FiMT to respond to the needs of its staff and stakeholders as circumstances change.

The Directors have delegated day-to-day running of the Trust to the Chief Executive, Michelle Alston.

Appointment of Directors

At the beginning of the reporting period, the Board comprised eight Directors, including the Chair (an independent Director), three Directors nominated by Cobseo, and four other independent Directors, ensuring a diverse range of skills and expertise.

In June 2025, the Board concluded the recruitment process and appointment of a new Vice Chair, bringing the total number of Directors up to nine, in line with the best practice outlined in the Charity Governance Code. The Trust remains committed to ensuring that Board members possess the necessary skills to support its strategic objectives while prioritising diversity and inclusion.

The Trust recognises and values the benefits of fostering an inclusive organisation that actively embraces differences among Directors, staff, and external partners. These differences include, but are not limited to, gender, race, national and ethnic origin, colour, religion, age, sexual orientation, marital and family status, physical or mental disabilities, as well as political and other beliefs.

Director induction and training

One new Director was appointed this year. Newly appointed Directors typically receive induction briefings from the Board Chair and the Chief Executive. Depending on their prior experience, additional briefings with legal, trust, and military experts are arranged as needed, with all associated costs covered by the Trust. Departing Directors (none in this period) participate in 'exit' interviews conducted by the Board Chair.

Existing Directors are encouraged to attend professional development events throughout the year, with expenses covered by the Trust. Notable programmes offered by organisations such as NCVO, ACEVO, ACF, Legal Advisers, Auditors, and Investment Managers are regularly highlighted to the Board.

The Board undertakes annual performance reviews, both collectively and individually. Each Director holds a one-to-one discussion with the Board Chair as part of this process. Directors are also encouraged to attend Committee meetings outside their usual remit.

In 2025, the Board commissioned an external effectiveness review, delivered by Digi-Board, to provide an independent assessment of its governance arrangements. The review benchmarked FiMT's performance against the Charity Governance Code and Digi-Board's all-charities dataset, rating the Trust's governance as "Very Well" overall, with results above the sector benchmark across all principles. The report highlighted significant progress since the previous external review in 2022, particularly in Board culture, leadership, integrity, and risk management. Areas for continued development, such as equality, diversity and inclusion, digital strategy, and decision-making discipline, were identified as opportunities to build on existing strengths. The findings provide assurance that FiMT's governance remains robust and fit for purpose as the organisation plans towards 2031.

Related parties and relationships with other organisations

The Trust has in place robust procedures for handling conflicts of interest. In particular, Directors and staff with a conflict of interest are not present when discussions are held and funding decisions are made in relation to that interest. The Trust maintains a full register of interests and loyalty, which is brought to Directors' attention at every meeting, and is also available on the Trust's website.

Army Benevolent Fund

The Chief Executive of the Army Benevolent Fund also serves as a Director of FIM Trustee Limited. FiMT has an agreement with the Army Benevolent Fund for facilities management at Mountbarrow House, as well as IT support. The cost of these services in the year ending 31 December 2025 amounted to £23,729 (2024: £54,340).

Cobseo

The Director of Operations of Cobseo is also a Director of FIM Trustee Limited. Up to five members of the Board of Directors of FIM Trustee Limited may be nominated by Cobseo and appointed by FiMT. There was

one direct transaction between FiMT and Cobseo during the period. At the year end, £180 (2024: £180) membership fee was paid on behalf of FiMT. Payments to the Director of Operations of Cobseo were exclusively for personal expenses associated with their role as a Director of FIM Trustee Limited, and are included within Note 7 to the financial statements.

King's College London - King's Centre for Military Health Research

An Honorary Professor of King's Centre for Military Health Research (KCMHR), which is a part of King's College London (KCL), is also a Director of FIM Trustee Limited. FiMT continue its annual sponsorship of the KCMHR Mental Health Conference at a cost of £16,000 per year. The consortium RAND Europe/Kings College London continues to run the FiMT Research Centre, awarded in 2022, until 2027.

Remuneration policy for key management personnel

In March 2016 (formally reviewed during 2021), the Board adopted a formal remuneration policy based upon an incremental salary scale, benchmarked annually using a leading market provider (currently Croner Reward) to cover cost-of-living and market comparators. The Audit and Risk Committee recommends to the Board the appropriate award for the forthcoming tax year. In March 2025, the Board accepted the Audit and Risk Committee's recommendations.

In addition to the annual salary review, the Trust also considers other employee benefits, where it is guided by sector comparators. All staff receive death-in-service insurance, and can take advantage of a cycle-to-work scheme and season ticket loan. All employees have access to an employee assistance programme and confidential employee hotline, and an annual cycle of health screening is offered to all employees. Annual leave at 30 days (plus bank holidays) is above sector average, and the Trust offers flexible working and 'time off in lieu'. The Board uses all these factors to encourage retention, which remains high.

Forces in Mind Trust does not undertake any fundraising activities, either directly or using an agency. As such, we do not currently subscribe to a fundraising code or regulation. We are not aware of any failures during the year ended 31 December 2025 (2024: none) by the charity of any person acting on its behalf, to comply with our fundraising standards, nor did we receive any complaints about fundraising activity.

Statement of responsibilities of the Directors

The Directors are responsible for preparing the Directors' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Directors 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 of the charity for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP (2019)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Directors 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. 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 Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors' report has been approved by the Directors on _____ and signed on their behalf by:

L Macleod
Chair of the Board

M Alston
Chief Executive

Forces in Mind Trust

Protector's annual report

For the year ended 31 December 2025

Report of the Protector for the year ended 31 December 2025

Background

This is my fourth report in my role as the Protector of the Forces in Mind Trust ('FiMT' or the 'Trust') to which I was appointed by the National Lottery Community Fund (the 'Fund'), after an open recruitment process, in December 2021 for a 5-year term.

The Trust Deed dated 28 November 2011 which established FiMT requires the Protector to prepare a statement for publication by FiMT's corporate Trustee (FIM Trustee Limited) in its annual report, explaining the Protector's function, how the function has been exercised and, if appropriate, identifying any areas of administration which require improvement and steps to be taken by the Trustee to effect such improvement.

This report covers my period in office from 1 January to 31 December 2025.

Protector's Function

The functions of the Protector are to ensure that the Trustee administers the Trust properly and to protect the Trust property.

The principal objects of the Trust are set out elsewhere in this document.

The Trust property consists of a portfolio of investments and cash representing what remains of the original settlement on the Trust by the Fund of £35 million.

If necessary, the Protector must report matters of serious concern to the Fund or to the Charity Commission. The Protector therefore has a "watch-dog" role and must monitor the Trustee and prevent it from abusing its powers or breaching its duties.

More positively, the Protector must seek to ensure, as far as possible, that the Trust is administered in accordance with the terms of the Trust Deed and give or withhold consent or approval to the exercise of certain powers by the Trustee.

How I have discharged the Protector's function

I have attended all Board meetings held during the period January - December 2025. I also joined the Board strategy away day which took place in February 2025. In addition, I have spoken and corresponded with the Chair, other trustees, the Chief Executive of the Trust and the Head of Governance, as required, during the period under review.

I have also commented on various aspects of the governance and operation of the Trust during the period.

I was not requested to consider or approve any changes to the constitution of the Trust.

Governance and Management of the Trust

I am satisfied that the Trust was administered in accordance with the terms of the Trust Deed in the period from January - December 2025.

Board

In my report last year, I noted that the Board (then comprising 8) was a third smaller than it had been the year before, and that, whilst a smaller board can be a good thing, it was important to monitor the position going forward and to continue to assess the skills required on the Board, including for the role of Deputy Chair.

I am pleased to report that, following an open recruitment process, a new Deputy Chair was appointed in June 2025, which brings the Board to a total of 9, 3 of whom were nominated by Cobseo¹. This ratio preserves an appropriate balance between the independent and Cobseo nominated directors, whilst ensuring that the Trust benefits from the knowledge and sector expertise of those associated with Cobseo and its member charities.

I have continued to be impressed over 2025 by the way the Board has worked together, with commitment and humour, and the leadership displayed by the Chair of the Board and the Chair of the Audit and Risk Committee. All Board meetings were held in person. The quality of constructive debate and challenge is high, with good board cohesion and appropriate focus on strategic issues and constructive direction and support of the Executive.

From what I have seen, there appears to be a proper division between the strategy setting, oversight and monitoring role of the Board and the day-to-day responsibilities of the Executive. The single Board Committee – the Audit and Risk Committee - reports to each Board meeting. There are continued opportunities at the beginning and end of each Board meeting for informal exchanges between Board members and with the Trust's Executive, which is positive. The wider Executive's input is sought in planning (for instance at the Board's strategy day), as well as on appropriate items on the Board agenda.

I participated in the Board's 2025 external effectiveness review, delivered by Digi-Board, of the Board's governance arrangements and was pleased to note the significant progress which it recorded since the equivalent review in 2022, especially in areas of Board culture, leadership and risk management. This is borne out by my own experience.

Executive

Michelle Alston, who was appointed as the Trust's new CEO in October 2023, continues to bring an intelligent and collegiate approach to the role.

She and the wider Executive are to be commended for the constructive and disciplined approach which they have brought to the Trust's work.

¹ Cobseo has the right under the articles of association of the Trustee to nominate up to 5 directors.

Trust's activities

The detail of the Trust's work during 2025 is recorded elsewhere in the Trustee Report - both its ongoing programmes and the beginning of the development of the plans for the Trust's 2031 cessation (it having been established in 2011 by the National Lottery Community Fund as a spend-out foundation with a projected end date²).

Looking forward

In February 2026, the Board will focus at its away day, supported by an external facilitator and the senior Executive, on developing further its strategy for an effective and well-run wind-down/spend-out, including how best to maximise the Trust's impact and effectiveness in its final years.

I am confident that this task, alongside its current operational priorities, will be well planned and implemented, with appropriate care and consideration.

I look forward to continuing to work with the Trust through 2026, which is the final year of my 5-year term.

Alison Paines

Protector – Forces in Mind Trust (January - December 2025)

² Clause 4 of the Trust Deed dated 28 November 2011 requires the Trustee to hold the Trust Fund upon trust to invest it and to apply the same and its income 'so that so far as possible and by the expiration of twenty years from the date of the Trust Deed the whole of the Trust Fund and the Income shall have been applied in furtherance of the Objects'.

Independent auditor's report

To the trustees of

Forces in Mind Trust

Opinion

We have audited the financial statements of Forces In Mind Trust (the 'charity') for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including 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 charity's affairs as at 31 December 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 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

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

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

Independent auditor's report

To the trustees of

Forces in Mind Trust

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

Other information

The other information comprises the information included in the trustee's annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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 trustee's report; or
- the charity has not kept adequate and proper 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 the Trustee

As explained more fully in the trustee's responsibilities statement, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and

Independent auditor's report

To the trustees of

Forces in Mind Trust

for such internal control as the trustee determines 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 trustee is 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 trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made or having effect thereunder.

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

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

We gained an understanding of the legal and regulatory framework applicable to the Charity and the sector in which it operates and considered the risk of the Charity not complying with the relevant laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting, and tax legislation. In relation to the operations of the Charity this included compliance with the Charities Act 2011 and SORP 2019.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified.

Independent auditor's report

To the trustees of

Forces in Mind Trust

These included the following:

- Review of legal fees incurred;
- Reviewing minutes of Director Board meetings;
- Agreeing the financial statement disclosures to underlying supporting documentation;
- Enquiring of management, including those charged with governance;
- Reviewing key accounting policies and estimates

To address the risk of management override of controls, we reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Independent auditor's report

To the trustees of

Forces in Mind Trust

Use of our report

This report is made solely to the charity's trustee, 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 trustee 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 charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Cooper-Davis FCCA ACA

(Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

24 Old Bond Street

London

W1S 4AP

Date

Forces in Mind Trust

Statement of financial activities

For the year ended 31 December 2025

	Note	Endowment £	Unrestricted £	2025 Total £	2024 Total £
Income from:					
Investments	3	241,258	–	241,258	401,056
Total income		241,258	–	241,258	401,056
Expenditure on:					
Raising funds		–	160,487	160,487	164,985
Charitable activities					
Knowledge and Evidence		–	916,360	916,360	1,482,618
Collaboration and Leadership		–	–	–	–
Influence and Leveraging		–	1,257,353	1,257,353	198,616
Capacity Building		–	–	–	–
Total expenditure	4	–	2,334,200	2,334,200	1,846,219
Net income / (expenditure) before net gains on investments		241,258	(2,334,200)	(2,092,942)	(1,445,163)
Net loss/(gain) on investments	11	370,333	–	370,333	104,299
Net income / (expenditure)	6	611,591	(2,334,200)	(1,722,609)	(1,340,864)
Transfers between funds	17a	(2,334,200)	2,334,200	–	–
Net movement in funds		(1,722,609)	–	(1,722,609)	(1,340,864)
Reconciliation of funds:					
Total funds brought forward		11,983,467	–	11,983,467	13,324,331
Total funds carried forward	17a	10,260,858	–	10,260,858	11,983,467

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

Forces in Mind Trust

Balance sheet

As at December 2025

	Note	£	2025 £	2024 £
Fixed assets:				
Investments	11		<u>11,384,097</u>	<u>13,447,075</u>
			11,384,097	13,447,075
Current assets:				
Debtors: amounts falling due within one year	12	45,033	24,060	
Debtors: amounts falling due after one year	13	14,954	14,954	
Cash at bank and in hand		<u>1,149,212</u>	<u>1,470,956</u>	
		1,209,199	1,509,970	
Liabilities:				
Creditors: amounts falling due within one year	14	<u>(1,632,717)</u>	<u>(1,915,159)</u>	
Net current liabilities			<u>(423,518)</u>	<u>(405,189)</u>
Total assets less current liabilities			10,960,579	13,041,886
Creditors: amounts falling due after one year	15		<u>(699,721)</u>	<u>(1,058,419)</u>
Total net assets	16a		<u><u>10,260,858</u></u>	<u><u>11,983,467</u></u>
The funds of the charity:				
Endowment funds			10,260,858	11,983,467
Unrestricted general funds			–	–
Total charity funds	16a		<u><u>10,260,858</u></u>	<u><u>11,983,467</u></u>

Approved by the trustee on

and signed on their behalf by

L Macleod
Chairman of the Board

M Alston
Chief Executive

Forces in Mind Trust

Statement of cash flows

For the year ended 31 December 2025

	Note	2025 £	£	2024 £	£
Net expenditure for the reporting period (as per the statement of financial activities)		(1,722,609)		(1,340,864)	
Dividends, interest and rent from investments	3	(241,258)		(401,056)	
(Gains)/losses on investments	11	(370,333)		(104,299)	
(Increase)/decrease in debtors		(20,973)		2,390	
(Decrease)/increase in creditors		(641,140)		(1,543,142)	
Net cash (used in) operating activities			(2,996,313)		(3,386,971)
Cash flows from investing activities:					
Dividends and interest from investments		241,258		401,056	
Proceeds from sale of investments	11	6,397,084		6,454,440	
Purchase of investments	11	(3,963,773)		(4,000,000)	
Cash movement within investment portfolio					
Net cash provided by investing activities			2,674,569		2,855,496
Change in cash and cash equivalents in the year			(321,744)		(531,475)
Cash and cash equivalents at the beginning of the year			1,485,910		2,017,385
Cash and cash equivalents at the end of the year			1,164,166		1,485,910

1 Accounting policies

a) Statutory information

Forces in Mind Trust is an unincorporated charity, registered with the Charity Commission in England and Wales.

The registered office address is Mountbarrow House, 6–20 Elizabeth Street, London, SW1W 9RB.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn. The financial statements are prepared in pounds sterling and are rounded to the nearest pound.

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

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

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Key judgements that the charity has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

f) Interest and dividends receivable

Interest on funds held on deposit and dividends are included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1 Accounting policies (continued)

g) Fund accounting

The expendable endowment fund provided by the Big Lottery Fund will be used over a 20 year period to support the charitable activities of the Trust. In accordance with the Trust Deed, the whole of the Trust Fund and Income will have been applied in furtherance of the charitable objectives by 28 November 2031. Transfers are made from the endowment fund to cover expenditure incurred during the year by the Trust

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

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 relate to investment manager fees
- Expenditure on charitable activities includes the costs of grant making undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

	2025	2024
● Knowledge and Evidence	27.3%	57.0%
● Collaboration and Leadership	0.0%	0.0%
● Influence and Leveraging	37.5%	8.0%
● Capacity Building	0.0%	0.0%
● Cost of raising funds	9.5%	10.0%
● Governance costs	25.7%	25.0%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with the constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1 Accounting policies (continued)

j) Grants payable

Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Multi-year grants are fully accounted for in the year the grant is approved. Payments falling due in later years are provided for as a liability on the balance sheet. This reflects the Trust's experience that only in exceptional circumstance are approved grants subsequently not paid.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £5,000, including VAT. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. Software is assumed to have a useful economic life of five years and depreciated on that basis on a straight line basis. Assets not yet in use but which are expected to be utilised in future are held at cost until they are brought into use.

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

1 Accounting policies (continued)

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

Creditors and provisions are recognised where 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The charity only has financial assets and financial 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

The charity makes payments to defined contribution pension schemes on behalf of employees. The assets of the schemes are held separately from those of the charitable company in independently administered funds. The pension cost charge represents contributions payable to the funds during the year. The charity has no liability under the schemes other than the payment of those contributions.

Notes to the financial statements

For the year ended 31 December 2025

2 Detailed comparatives for the statements of financial activities

	Endowment £	Unrestricted £	2024 £
Income from:			
Investments	401,056	–	401,056
Total income	401,056	–	401,056
Expenditure on:			
Raising funds	–	164,985	164,985
Charitable activities	–	1,681,234	1,681,234
Total expenditure	–	1,846,219	1,846,219
Net income / expenditure before gains on investments	401,056	(1,846,219)	(1,445,163)
Net gains on investments	104,299	–	104,299
Net income / expenditure	505,355	(1,846,219)	(1,340,864)
Transfers between funds	(1,846,219)	1,846,219	–
Net movement in funds	(1,340,864)	–	(1,340,864)
Total funds brought forward	13,324,331	–	13,324,331
Total funds carried forward	11,983,467	–	11,983,467

3 Income from investments

	2025 Total £	2024 Total £
Income from investments	222,255	386,014
Bank interest	19,003	15,042
	241,258	401,056

All income from investments is allocated to endowment funds.

4a Analysis of expenditure

	Charitable activities								
	Cost of raising funds £	Knowledge and Evidence £	Collaboration and Leadership £	Influence and Leveraging £	Capacity Building £	Governance costs £	Support costs £	2025 £	2024 Total £
Staff costs (Note 7)	55,813	183,328	–	251,547	–	165,113	119,377	775,178	756,124
Recruitment costs	–	–	–	–	–	–	12,100	12,100	11,404
Travel and subsistence	–	5,031	–	6,904	–	–	–	11,935	9,980
Grants payable (Note 5)	–	521,370	–	715,380	–	–	–	1,236,750	756,051
Investment manager's fees	42,098	–	–	–	–	–	–	42,098	48,555
Advisors' fees and expenses	–	–	–	–	–	15,091	–	15,091	14,400
Auditors' remuneration	–	–	–	–	–	18,024	–	18,024	17,740
Premises costs	–	–	–	–	–	–	106,884	106,884	100,572
Legal and professional fees	–	28,648	–	39,308	–	–	–	67,956	81,354
Marketing and communications	–	–	–	–	–	2,400	–	2,400	3,360
Directors' expenses	–	–	–	–	–	2,567	–	2,567	3,214
Office costs	–	–	–	–	–	2,073	41,144	43,217	43,465
	97,911	738,377	–	1,013,139	–	205,268	279,505	2,334,200	1,846,219
Support costs	26,553	76,353	–	104,766	–	71,833	(279,505)	–	–
Governance costs	36,023	101,630	–	139,448	–	(277,101)	–	–	–
Total expenditure 2025	160,487	916,360	–	1,257,353	–	–	–	2,334,200	1,846,219
Total Expenditure 2024	164,985	1,482,618	–	198,616	–	–	–		1,846,219

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2025

4b Analysis of expenditure (prior year)

	Charitable activities								
	Cost of raising funds £	Knowledge and Evidence £	Collaboration and Leadership £	Influence and Leveraging £	Capacity Building £	Governance costs £	Support costs £	2024 £	2023 Total £
Staff costs (Note 7)	54,441	374,073	–	50,112	–	161,055	116,443	756,124	650,914
Recruitment costs	–	–	–	–	–	–	11,404	11,404	24,732
Travel and subsistence	–	8,801	–	1,179	–	–	–	9,980	23,703
Grants payable (Note 5)	–	666,733	–	89,318	–	–	–	756,051	1,656,662
Investment manager's fees	48,555	–	–	–	–	–	–	48,555	31,743
Advisors' fees and expenses	–	–	–	–	–	14,400	–	14,400	15,000
Auditors' remuneration	–	–	–	–	–	17,740	–	17,740	11,030
Premises costs	–	–	–	–	–	–	100,572	100,572	93,779
Legal and professional fees	–	71,743	–	9,611	–	–	–	81,354	137,264
Marketing and communications	–	–	–	–	–	3,360	–	3,360	2,070
Directors' expenses	–	–	–	–	–	2,825	389	3,214	5,788
Office costs	–	–	–	–	–	2,646	40,819	43,465	30,912
	102,996	1,121,350	–	150,220	–	202,026	269,627	1,846,219	2,683,597
Support costs	26,963	154,553	–	20,704	–	67,407	(269,627)	–	–
Governance costs	35,026	206,715	–	27,692	–	(269,433)	–	–	–
Total expenditure 2024	164,985	1,482,618	–	198,616	–	–	–	1,846,219	2,683,597
Total Expenditure 2023	134,120	1,924,402	(6,760)	131,684	500,151	–	–		2,683,597

The negative balances showing for collaboration and leadership have arisen as a result of funds awarded in previous years having been returned to us in the year to 31 December 2023.

5 Grant making

	2025 £	2024 £
Creditors at the start of the year	2,896,419	4,440,304
Grants awarded in the year (Note 4 and detailed below)	1,236,750	667,078
Costs related to monitoring and evaluation of grants awarded	–	88,973
Grants paid	(1,865,865)	(2,299,936)
Total creditors at the end of the year	2,267,304	2,896,419
Creditors due within one year (Note 14)	1,567,583	1,838,000
Creditors due in over one year (Note 15)	699,721	1,058,419
Total creditors at the end of the year	2,267,304	2,896,419

Notes to the financial statements

For the year ended 31 December 2025

5 Grant making (continued)

Grants awarded in the year:	Charitable Activity	2025 £	2024 £
Domestic violence and abuse among military spouses and partners: impact of military life and culture, perceptions of support available and barriers to seeking help. King's College London	Knowledge and Evidence	–	(4,134)
PETT: External pilot RCT to evaluate a research protocol comparing RTM intervention with TF-CBT delivered by charities treating PTSD in ex-military veterans	Knowledge and Evidence	–	(1,874)
A Roadmap to ensure achievement of No Homeless Veterans. The Riverside Group Limited on behalf of the Cobseo Housing Cluster	Influence and Leveraging	–	(15,780)
Kings College – Additional Grant	Knowledge and Evidence	–	3,600
Does military trauma accelerate the ageing process, University of Birmingham	Knowledge and Evidence	–	298,134
Review of Living in Our Shoes and the Armed Forces Families Strategy, University of Worcester	Knowledge and Evidence	–	329,366
Armed Forces Community – Solving the Problem of Poor Engagement with Transition to civilian life within the Armed Forces Community – identify phase	Knowledge and Evidence	–	62,752
Probation Institute Ltd – Accelerator project: knowledge mobilisation with justice sector professionals, Probation Institute	Knowledge and Evidence	–	25,408
Armed Forces Covenant toolkit update, Shared Intelligence	Influence and Leveraging	–	16,125
Northumbria University underspend	Knowledge and Evidence	–	(46,519)
Understanding the impact of serving within the UK Armed Forces for the Indian and West Indian veteran populations. University of Chester	Knowledge and Evidence	(16,289)	–
A Comparative Study: Common Mental Health Disorders in the Veteran & Non-Veteran Populations. Chester Uni*	Knowledge and Evidence	(11,099)	–
Children & Young People lived experience of transition commission, Brunel University London	Knowledge and Evidence	249,645	–
Future view of mental health issues study, Combat Stress	Knowledge and Evidence	61,500	–
Ex-Military Status and Custodial Sentencing Outcomes, University of Nottingham	Knowledge and Evidence	107,981	–
Primary care assessment for UK Military Veterans, Northumbria University	Knowledge and Evidence	249,879	–
Clinical Research Practice Link assessment of veterans needs in the Devolved Nations, KCMHR	Influence and Leveraging	31,805	–
Trauma Informed Care (TIC) and Veterans' Welfare Services, University of Salford	Influence and Leveraging	249,205	–
SCiP Impact Centre, Service Children's Progression Alliance	Influence and Leveraging	249,438	–
Catterick Outreach Service, Gatehead Council	Influence and Leveraging	30,000	–
Influence support expenditure	Influence and Leveraging	73,047	–
Commission on families engagement – second develop and test phase, THINKS Insight	Influence and Leveraging	81,886	–
Combat Stress	Knowledge and Evidence	(16,836)	–
Kings College– Motivating Veterans	Knowledge and Evidence	(2,073)	–
University of Chester	Knowledge and Evidence	(31,460)	–
University of Glasgow	Knowledge and Evidence	(64,858)	–
University of Worcester	Knowledge and Evidence	(1,970)	–
University of Birmingham	Knowledge and Evidence	1,970	–
University of Manchester	Knowledge and Evidence	(5,021)	–
Sub-total – grant awards		1,236,750	667,078
Other costs related to grants awarded		–	88,973
Total costs of grant making		1,236,750	756,051

Notes to the financial statements

For the year ended 31 December 2025

6 Net income/(expenditure) for the year

	2025	2024
	£	£
This is stated after charging / crediting:		
Auditor's remuneration (excluding VAT):		
▪ Audit	11,995	10,750
▪ Accounts preparation	1,750	1,750
Advisor's fees and expenses (Protector)	15,091	14,400
Operating lease rentals		
▪ Property	72,178	51,425
	<u>72,178</u>	<u>51,425</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2025	2024
	£	£
Staff costs were as follows:		
Salaries and wages	655,656	644,312
Social security costs	71,230	65,464
Employer's contribution to defined contribution pension schemes	41,480	38,540
Death in Service benefit	3,315	2,994
Other Staff costs	3,496	4,815
	<u>775,177</u>	<u>756,125</u>

There were five employees whose costs excluding contributions exceeded £60,000 during the year, these are summarised as follows:

	2025	2024
	No.	No.
£60,000 – £69,999	1	2
£70,000 – £79,999	2	1
£100,000 – £109,999	1	1
£110,000 – £119,999	–	1
£120,000 – £129,999	1	–
	<u>1</u>	<u>–</u>

The charity considers its key management personnel to comprise of one person (2024: one person). The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £128,010 (2024: £119,242).

The charity directors were not paid or received any other benefits from employment with the charity in the year (2024: £nil). No charity director received payment for professional or other services supplied to the charity (2024: £nil).

Directors' expenses represents the payment or reimbursement of travel and subsistence costs totalling £2,495 (2024: £3,214) incurred by 4 (2024: 6) members relating to attendance at meetings of the directors.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2025	2024
	No.	No.
Raising funds – investment management	1.0	1.0
Governance	2.6	2.8
Knowledge and Evidence	2.7	6.1
Influence and Leveraging	3.8	0.8
	<u>10.1</u>	<u>10.7</u>

9 Related party transactions

The value of the related party transactions is £40.6k (2024: £83k). Full details of this figure is given on pages 20–21 of the Directors' Annual Report.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Listed investments

	2025 £	2024 £
Fair value at the start of the year	13,447,075	15,797,216
Additions at cost	3,963,773	4,000,000
Disposal proceeds	(6,397,084)	(6,454,440)
Net loss/(gain) on change in fair value	370,333	104,299
	<u>11,384,097</u>	<u>13,447,075</u>
Cash held by investment broker pending reinvestment	–	–
Fair value at the end of the year	<u>11,384,097</u>	<u>13,447,075</u>
Investments comprise:	2025 £	2024 £
Fixed Interest Bonds	9,201,639	9,943,326
Liquid Funds	2,182,458	3,503,749
	<u>11,384,097</u>	<u>13,447,075</u>

Notes to the financial statements

For the year ended 31 December 2025

12 Debtors: amounts falling due within one year

	2025 £	2024 £
Prepayments	45,033	24,060
Other debtors	–	–
	<u>45,033</u>	<u>24,060</u>

With the exception of listed investments, all of the charity's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 14 and 15 below.

13 Debtors: amounts falling due after one year

	2025 £	2024 £
Other debtors	14,954	14,954
	<u>14,954</u>	<u>14,954</u>

14 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	5,471	21,918
Taxation and social security	22,155	20,698
Accruals	30,294	25,770
Grants payable (Note 5)	1,567,583	1,838,000
Other creditors	7,214	8,773
	<u>1,632,717</u>	<u>1,915,159</u>

15 Creditors: amounts falling due after one year

	2025 £	2024 £
Grants payable (Note 5)	699,721	1,058,419
Grants are paid in line with agreed timetables and are payable:		
In less than one year	1,567,583	1,838,000
Between one and five years	699,721	1,058,419
	2,267,304	2,896,419

16a Analysis of net assets between funds (current year)

	Endowment funds £	General funds £	Total funds £
Investments	11,384,097	–	11,384,097
Net current liabilities	(423,518)	–	(423,518)
Long term liabilities	(699,721)	–	(699,721)
Net assets at the end of the year	10,260,858	–	10,260,858

16b Analysis of net assets between funds (prior year)

	Endowment funds £	General funds £	Total funds £
Investments	13,447,075	–	13,447,075
Net current liabilities	(405,189)	–	(405,189)
Long term liabilities	(1,058,419)	–	(1,058,419)
Net assets at the end of the year	11,983,467	–	11,983,467

17a Movements in funds (current year)

	At 1 January 2025 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2025 £
Endowment funds	11,983,467	611,591	–	(2,334,200)	10,260,858
Total endowment funds	11,983,467	611,591	–	(2,334,200)	10,260,858
Unrestricted funds:					
General funds	–	–	(2,334,200)	2,334,200	–
Total unrestricted funds	–	–	(2,334,200)	2,334,200	–
Total funds	11,983,467	611,591	(2,334,200)	–	10,260,858

17a Movements in funds (prior year)

	At 1 January 2024 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2024 £
Endowment funds	13,324,331	505,355	–	(1,846,219)	11,983,467
Total endowment funds	13,324,331	505,355	–	(1,846,219)	11,983,467
Unrestricted funds:					
General funds	–	–	(1,846,219)	1,846,219	–
Total unrestricted funds	–	–	(1,846,219)	1,846,219	–
Total funds	13,324,331	505,355	(1,846,219)	–	11,983,467

Purposes of endowment funds

The expendable endowment fund provided by the Big Lottery Fund will be used over a 20 year period to support the charitable activities of the Trust. In accordance with the Trust Deed, the whole of the Trust Fund and Income will have been applied in furtherance of the charitable objects by 28 November 2031.

18 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property	
	2025	2024
	£	(restated) £
Less than one year	24,923	49,845
Due between 2 to 5 years	–	24,923
	<u>24,923</u>	<u>74,768</u>

The prior year commitment has been restated to reflect the break clause in the lease agreement.

19 Corporate Trustee

Forces in Mind Trust is managed by a sole corporate trustee which is FIM Trustee Limited, registered company no. 07855145. Forces in Mind Trust is used to disburse funds for charitable purposes or activities. All activities take place within the Trust and are directed by the Trustee, FIM Trustee Limited.

FORCES IN MIND TRUST

England & Wales - Charity number 1145688

Accounts

Charity number: 1145688

Forces in Mind Trust

Report and financial statements

For the year ended 31 December 2024

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For the year ended 31 December 2024

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Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2024

Charity number 1145688

Registered office Alexandra House
St Johns Street
Salisbury
SP1 2SB

Operational address Mountbarrow House
6-20 Elizabeth Street
London
SW1W 9RB

Country of registration England and Wales

Trustee FIM Trustee Ltd

Principal staff	Michelle Alston	Chief Executive
	Tom McBarnet	Director of Programmes
	Caroline Cooke	Head of Policy
	Rodrigo Voss	Head of Operations & Governance
	Clare Crookenden	Grants & Programmes Manager

Bankers Barclays Bank UK PLC
1st Floor
27 Soho Square
London
W1D 3QR

Solicitors Wilsons Solicitors LLP
Alexandra House
St Johns Street
Salisbury
SP1 2SB

Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2024

Auditor Price Bailey LLP
Chartered Accountants
Statutory Auditors
24 Old Bond Street
London
W1S 4AP

Investment Manager Sarasin and Partners
Juxon House
100 St. Paul's Churchyard
London
EC4M 8BU

The Forces in Mind Trust has a single corporate Trustee, FIM Trustee Limited.

The Directors of FIM Trustee Limited during the period 1 January 2024 to 31 December 2024 were:

Chair	J Macleod CB CVO	Chair of the Board
Director	K Alpin	Board Member
Director	R Hornsby-Clifton	Chair of the Audit and Risk Committee
Director	Maj Gen Retd T D Hyams CB OBE	Board Member
Director	K McCullough	Board Member
Director	D Mills	Board Member (resigned 7 February 2024)
Director	Professor D Murphy	Board Member
Director	Lt Gen Retd Sir N Pope KCB CBE	Member of the Audit and Risk Committee (resigned 11 December 2024)
Director and Deputy Chair	N J Roberts	Member of the Audit and Risk Committee and Deputy Chair of the Board (resigned 8 February 2024)
Director	A Skelton	Board Member

Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2024

Director	E Spencer	Member of the Audit and Risk Committee

The Trust’s Honorary President is Air Vice-Marshal Retd A J Stables CBE.

Chair's Foreword

At the end of a very busy year of change in Forces in Mind Trust, I am pleased that we continue to build on our many years of great work by maintaining a focus on identifying and addressing the issues and challenges that impact the transition experiences of former Service personnel and their families.

In 2024, the Board set itself the challenge of ensuring that we continued to drive meaningful change and impact as we approach the final six years of the organisation's life. This has resulted in a shift away from predominantly evidence generation, towards an increased focus on influencing policy and service delivery by leveraging and mobilising our substantial evidence base. The aim of this shift is to achieve better outcomes for former Service personnel and their families, making best use of our remaining resources, and exploiting the value of our existing knowledge base and the critical role it plays in shaping the future.

We have continued to recognise that many areas impact a successful transition, but have focused our effort on prioritising those where we still need to better understand the challenge, where provision needs to be improved, and where we assess FIMT can make the most difference. We are therefore focusing on the unique impact of service on families and health and wellbeing; the changing nature and needs of the Armed Forces community; more empowered systems and for individuals to be better prepared for transition; greater collaboration; and ensuring that mainstream services are 'Armed Forces aware'.

We have acknowledged the impact Service life has on families and the specific challenges that need to be addressed to ensure a successful transition for the whole family. In January 2024, we published the largest study ever conducted with UK veteran families – the UK Veterans Family Study - which produced important insights on the health and wellbeing of families to inform policy and practice. Going forward, our recent award of funding to revisit the Living in Our Shoes report will be a foundational piece of work to further anchor our commitment to recognising the impact of transition on the whole family. When published in 2020, the Living in Our Shoes report highlighted the unique challenges faced by UK Armed Forces families and provided key recommendations for change. This revisit project will evaluate the progress made in meeting these challenges, determine the future priorities for families, and recommend actions required by government and the third sector.

Forces in Mind Trust has always been ambitious in looking ahead and we continue to recognise the importance of identifying the future challenges for the Armed Forces community, not just those that present themselves now. This "future focus" included hosting workshops and roundtables, including a discussion focused on the needs of the Armed Forces community in 2030 and beyond, which identified specific areas for opportunity, challenge and action. In addition, we hosted a highly impactful roundtable event on the risks

and opportunities of artificial intelligence for those who support the Armed Forces community. This gathered people from the Armed Forces, civilian charities, government, and academia to talk about AI and what steps are needed to help organisations supporting the Armed Forces adapt to this fast-changing and potentially transformative issue. The discussion is essential to ensure the Armed Forces charity sector doesn't fall behind.

Another priority area has been around ensuring a preventative approach to addressing transition issues. Our No Homeless Veterans: Roadmap to end homelessness amongst veterans report, which was published in January 2024, is a great example of the work we have done to identify the issues that can occur upstream whilst individuals are still serving. The report provides policymakers with a route to taking the preventative steps needed to help empower Service leavers and their families to make a successful transition, including the ability to secure and maintain suitable housing. The report and accompanying action plan are now being used to inform the development of transition policy and guidance across the UK.

We have also undertaken work which recognised those cohorts who can often be overlooked and that may struggle more than others to transition successfully, with key reports published on support for the non-UK Armed Forces community and on identifying the barriers to the uptake of support for those former personnel within the criminal justice system.

We were also delighted to see the successful bid by Birmingham to host the next Invictus Games. This provided a timely and fitting backdrop for us to publish the results of an evaluation of the previous Games, which assessed the long-term benefits of competitive sport for wounded, injured and sick serving and former personnel.

In other areas, our partnership with the Forces in Mind Trust Research Centre has delivered a world leading repository for transition related research. Access to this cohered research remains free for any user and the Centre is quickly gaining a strong reputation, not just in the UK but internationally. Further, the Research Centre's proactive approach to sourcing evidence and then providing policy and research summaries is informing policy makers and service deliverers, driving better decisions.

As an organisation, we have continued to strengthen and streamline our governance, with fewer and more effective governance structures and better risk management imbedded, strengthening the foundations for effective oversight. In 2024 we have said farewell to, and welcomed in, a number of directors and staff. I am grateful to have a strong and supportive Executive team and Board in place and I would like to publicly recognise the contributions of Nick Roberts, Vice Chair over the last six years and Lt Gen Sir Nick Pope KCB

CBE, as he departs after three years of supporting the charity as a director. From the Executive team, I would also like to thank Brady White and Douglas Spinelli for their support to the Armed Forces community and wish them all the best for their future careers.

Looking ahead, FiMT is now firmly focused on an impactful legacy. In an increasingly complex and insecure world, the demands on our Armed Forces, and subsequent impact on their families, is unlikely to diminish. Therefore, our mission to ensure Service personnel and families are supported into living fulfilling civilian lives remains as essential as ever. As a Board, and as an organisation, we remain honoured to be able to contribute to making a difference, mindful that there is much still to do, but confident that we have the right team and strategy to leave a lasting positive impact on the lives of former personnel and their families. We will continue to be guided by evidence, to focus on the key issues that impact transition, be flexible to seize opportunities and not afraid to point out uncomfortable or inconvenient truths. I remain proud to chair the Board of Forces in Mind Trust as it endeavours to achieve this.

Jim Macleod CB CVO

Chair, Forces in Mind Trust

February 2025

Introduction

The Directors of the Trustee (FIM Trustee Limited) present their Report, together with the audited financial statements of Forces in Mind Trust for the year ended 31 December 2024.

Reference and administrative information set out on pages 1 to 3 forms part of this report. The financial statements comply with current statutory requirements, the charity's trust deed and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP (2019) applicable to charities preparing their accounts in accordance with FRS 102.

The Directors would like to express their gratitude for the continued support and engagement of the Trust's Protector, Alison Paines, whose report is included below.

Comment on Protector's Report

The current Protector was appointed in December 2021 by the National Lottery Community Fund; her role and responsibilities are fully described in her Report. The Directors welcome, and are encouraged by, the comments contained in the Protector's Report. The Protector's attendance at Board and a selection of Committee meetings contributes positively to the Trust's development, and the Board is grateful to her considered advice.

Objectives and activities

Purposes and aims

Forces in Mind Trust (FiMT, or the Trust) is a registered charity (Charity number: 1145688) which has as its charitable aims:

The prevention and relief of poverty, the protection of mental and physical health and the relief of sickness and need amongst serving and former serving members of the Armed Forces by means of the provision of mentoring, services, facilities and equipment to support their treatment, rehabilitation, resettlement, education, training and employment and thereby support their transition to civilian life;

and

The protection of the mental and physical health, and the relief of poverty of the families and dependants of serving and former serving members of the Armed Forces in all cases for the benefit of the public.

The Directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities and are confident that the Trust's activities meet the Charity Commission's requirements with regard to public benefit. In particular, the Directors considered how the planned activities will contribute to the aims and objectives that have been set. In its thirteenth year of operation, FiMT has taken significant steps towards delivering the impact its Founder intended by continuing work using the strong foundations that were laid in the first twelve years of its planned 20-year life. The Directors review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period.

The conceptually well-targeted grant-giving programme, supported by strategic influence activities, has remained at the core of the Trust's activities, with an increasing emphasis on commissioning and co-creation versus responsive funding.

Achievements and performance

The Trust's main activities in the course of the year are described below. All charitable activities ultimately focus on ex-Service personnel and their families and are undertaken to further our charitable purposes for the public benefit.

Grants and Commissioning Plan

During the period, 6 awards were made (previous period 5), listed below. Other costs related to the Grants and Commissioning Plan totalling £88,973 (2023: £85,569) are also shown. Full details of amounts and types of grants can be found at Note 5 to the financial statements and on the Trust's website (section 'Projects we have funded' www.fim-trust.org/what-we-fund/projects-funded/). Grants made in 2024 were:

- Identifying and examining the barriers to female veterans making a successful and sustainable transition to civilian life in the UK, King's College London (Extension)
- Does military trauma accelerate the ageing process, University of Birmingham
- Living in Our Shoes Revisited, University of Worcester

- Accelerator project: Journeys to Harmful Behaviour - Implementation Project, Probation Institute
- Armed Forces Covenant toolkit update, Shared Intelligence
- Solving the Problem of Poor Engagement with Transition to Civilian Life within the Armed Forces Community (Phase 1), THINKS Insight & Strategy

The Trust's aim is to create the conditions for enduring, positive change. The impact of previous years' grant awards, and also where appropriate those listed previously, is described in the following section on Impact and Influence.

Since 2011, FiMT have worked with organisations and key stakeholders across the public, private and voluntary sectors, and funded research and other influence activities that we believe have significantly contributed to our mission. However, research continues to show that not all Service leavers and their families make a successful transition, and significant challenges remain. We therefore need to think about how we adjust our approach, to complement the changed environment and maximise our impact. Our focus is on generating impact at a strategic level by understanding the environment and the factors that affect successful achievement of our goals. We aim to further increase our impact through informed and proactive commissioning and influence, better exploitation of the evidence we generate to change policy and service provision, and more robust evaluation of that evidence.

Following a temporary reduction in grant-making activities in 2023 and early 2024, during which the Board focused on strategic development, the 2024 awayday marked a key decision to accelerate the Trust's shift towards a greater emphasis on influencing and convening. The Board highlighted the importance of forward-thinking and proactive engagement in addressing future challenges, with a clear focus on measurable outcomes and strategic alignment. This approach reflects FiMT's commitment to anticipating emerging trends and maximising its impact in an ever-evolving landscape. During the year there was also a strong emphasis on defining and measuring success of different initiatives with the implementation of a "good, better, best" framework to evaluate the impact of these events.

The total value of the 2024 awards, less other costs related to the Grants and Commissioning Plan was £735k (previous period £ 1.657 million).

Total charitable expenditure for the year amounted to £1.681 million (previous period £2.549 million).

Prioritisation

Throughout 2024, significant efforts were undertaken to refresh and enhance our prioritisation processes, ensuring closer alignment with our strategic goals and the evolving needs of our stakeholders. We adopted a needs-based and environmentally aware approach, designed to ensure our activities are both responsive and proactive. This initial phase involved gathering insights from a range of sources, including Ministry of Defence (MOD) surveys, public data, and contributions from partner organisations. Using these insights, we developed a comprehensive long list of potential priorities, which was systematically refined into a shortlist of priority needs based on specific criteria.

By March 2024, these priorities were operationalised and embedded within our grant-making and influencing activities. The Board approved a funding envelope of £1.25M for FY2024, providing clear guidance for prioritising programme and project-level activities. This structured approach has enabled us to focus on medium- and long-term drivers of change, ensuring our efforts remain aligned with our mission and the broader environmental context.

Throughout the year, we continued to refine our prioritisation processes through systematic horizon scanning and assessments, leveraging the resources of our Research Centre and collaborating with expert partners. These ongoing efforts have enhanced our agility and responsiveness to emerging needs and trends.

Our target mission spend for 2024 was strategically allocated to ensure a balance between proactive and reactive evidence generation, with built-in outcomes and influence across all projects. The breakdown included:

- **Evidence generation:** focusing on creating robust, actionable data to inform policy, programme development, and improved practices.
- **Leveraging evidence:** dedicated to translating existing evidence into practical applications that maximise impact.
- **'Moonshot' funding:** supporting innovative, high-risk projects with transformative potential.

Evidence Generation

Building on FiMT's reputation for producing high-quality, independent, and impactful knowledge, evidence generation funding supports projects aimed at gathering data and creating robust evidence. This evidence informs policy decisions, programme development, and the implementation of best practices. It may also

involve evidence-based interventions, supporting the delivery and evaluation of potential solutions to address specific social, economic, or health challenges.

Leveraging Evidence and Influencing

Leveraging our existing evidence has allowed us to support projects that utilise existing research and data to improve outcomes. Key activities supported include:

- Knowledge mobilisation: Facilitating the exchange of knowledge and expertise between researchers, practitioners, policymakers, and other stakeholders through conferences, seminars, or workshops.
- Evaluation and adaptation: Measuring the effectiveness of existing projects and adapting them based on data-driven insights.

Moonshot Funding

Moonshot funding is designed to support ambitious, high-risk, high-reward initiatives with the potential for transformative impact. These grants aim to ignite bold ideas and unconventional approaches that seek to address particularly challenging or endemic issues. While not all moonshot projects may succeed, they contribute valuable learning and insights. By fostering innovation, collaboration, and creative thinking, the moonshot funding acts as a catalyst for achieving breakthrough solutions.

Operational Considerations

The majority of FiMT staff costs are not categorised as overheads but are instead directly associated with the delivery of FiMT's objectives and mission. As FiMT approaches the end of its operational life, the proportion of grant expenditure versus staff resources may change significantly, with the likelihood of external expenditure on grants reducing relative to staff and operational costs. However, this will enable FiMT to use its leveraging and convening power to ensure key stakeholders understand the evidence available and can collaborate to determine potential solutions. With well-targeted Executive Team activity, this wealth of evidence and knowledge has the potential to deliver significant impact in the coming years

Impact and Influence

Impact

The Trust has played an influential role in supporting the successful and sustainable transition of ex-Service personnel and families, leveraging its investment in a credible evidence base to inform both its own influencing activity and that of other organisations working to address the issues experienced by the ex-Armed Forces community.

During the course of 2024, the Trust has also further strengthened its approach to understanding its impact and the journey towards change, whether in the near, medium or long term future, drawing on the refreshed strategy and priority outcome areas.

The benefits of funding awarded in previous years resulted in the publication of 11 reports this year, providing valuable findings and recommendations for influencing improvements in public policy and service provision. These include:

No Homeless Veterans: a roadmap to end homelessness amongst veterans. This report provides a blueprint to ensure current and future generations of veterans have the skills and support required to avoid homelessness and establish long-term sustainable housing. The research highlights that some veterans, particularly those who join and leave the Services at a young age, are not well enough prepared to find and maintain a home after their time in the Armed Forces. It also identifies that the gap between military and civilian life is widening for some, due to the cost of living crisis and housing market challenges which are causing rents to rise. It sets out how the Ministry of Defence (MOD), the Office for Veterans' Affairs, local authorities, and housing providers can work together to prevent veteran homelessness and provide support in life after service.

Working in partnership with stakeholders in the devolved administrations the Trust delivered dissemination events on its **UK Families Study**. Partners and children of ex-Service personnel may be impacted by the nature of Service life, including as a result of frequent moves and due to family separation. This is not always as well recognised as the impact on the serving person or veteran by policy makers or those delivering services to the Armed Forces community. The report makes a number of recommendations including: the use of consistent definitions of family members within and across public services including the NHS; the development of alternative ways of identifying and connecting families into services; the improvement of financial literacy of Armed Forces families, whilst serving in the Armed Forces.

Ex-Service personnel in the criminal justice system: barriers to identification and uptake of support. Whilst the majority of ex-Service personnel transition successfully to civilian life, some become involved with the criminal justice system. However, there is a lack of comprehensive data about those in this situation, making it challenging to provide effective support. Identifying the barriers to this data deficit is essential to future decision making and improved service delivery. This new report explores the barriers to identification of ex-Service personnel in the criminal justice system, and the barriers of uptake of support. The research found that there was a lack of understanding about why ex-Service personnel are being asked

about their previous service; a reluctance to seek help for which pride and a sense of self-reliance were given as reasons; the word 'veteran' was not always understood to include ex-Service personnel with shorter periods of service or those without combat experience; the support landscape is complex, and both former personnel and some practitioners were unaware of the support available and eligibility. The report recommendations aim to address these barriers and improve identification of, and support for, ex-Service personnel in the future.

Understanding and improving Non-UK service and transition in the British Armed Forces. This research found that non-UK personnel can face unique challenges whilst serving, including with their immigration status, career progression, and issues with culture and belonging. It shows that non-UK personnel face significant challenges with their immigration status, both during and after service. The majority of those who took part in the research spoke of their pride in being part of the British Armed Forces. However, the report also highlighted cultural differences, exclusion, and unconscious bias, and concluded that more needs to be done to combat the disadvantage non-UK Service personnel, veterans and families face.

The FiMT Research Centre is firmly established and widely valued as a free resource offering a repository of research and grey literature. Its impact is demonstrated by its credibility among both international research partners and UK research bodies and that it continues to be recognised and used by UK Government and MOD and OVA especially as an integral part of the consultative process during the formulation and development of policy and strategy. Amongst charity organisations, again its authority is increasingly valued as a vital component in identifying key themes, recommendations and findings pertaining to the formulation of new research activity.

Influence

The Trust has continued to leverage its funding of knowledge and evidence generation. Throughout the year it has used its influence to convene events and meetings with key stakeholders to focus on issues which will shape the future environment, and the experiences of the serving and ex-serving Armed Forces community throughout their transition journey. Following the General Election in July, this included meetings with newly elected MPs interested in FiMT's work, as well as building relationships with newly appointed Veterans and Defence Ministers to help familiarise them with the full range of issues surrounding transition to civilian life, and the body of evidence available. The Trust also met with stakeholders in each of the devolved nations, including presenting at the Scottish Cross Party Group on the Armed Forces and Veterans Community. Alongside these activities, the Trust has drawn on its strong evidence base to respond to Government consultations on, for example, the Strategic Defence Review, and the NHS 10 Year Plan. These responses are publicly available and are used to help make the case for improvements in policy and practice.

The Trust was invited to speak on its latest research project on the Armed Forces Covenant at MOD's annual Armed Forces Covenant conference which was attended by champions of the Armed Forces Covenant from across the UK, alongside participants from the charity sector, academia and government. This involved partnering with researchers from RAND Europe and Shared Intelligence who have been commissioned to deliver the latest of the Trust's series of projects on the delivery of the Armed Forces Covenant at a local level.

Working in partnership with MOD and Defence Relationship Management (DRM), the Trust hosted two consultation events with Gold Award holder employers. These were held to discuss and feed into work underway by Government on extending the scope of the Armed Forces Covenant's legal duty to have due regard to the principles of the Covenant when exercising statutory functions.

The benefits of a renewed focus on using the Trust's capacity to convene influential events were highlighted in the roundtable event hosted in partnership with King's College, London. This event sought to stimulate discussion within the Armed Forces charity sector on the use of AI, to determine key benefits and risks, and to develop consensus of its use. It led to publication of a Roadmap based on discussion with stakeholders from academia, industry, government, funders and the charity sector.

The successful delivery of a workshop on *Future Issues to Consider Now* generated new understanding of potential future issues, including new perspectives on wider changes and challenges. It also supported on-going work aimed at developing a broader stakeholder network that can bring fresh thinking to the Trust's knowledge mobilisation and research translation activities.

A fuller description of the Trust's impact, influence and engagement can be found in the 2023 Impact Report <http://www.fim-trust.org/reports/>

Beneficiaries of our services

The beneficiaries of the Trust's services are serving and former members of the United Kingdom's Armed Forces, and their families. The Trust's strategy of achieving impact means that benefit is gained not by the direct provision of welfare, relief in need or other grants, but by influencing the shaping and development of the improvements made to the policy, support and preventative work provided by the public, private and voluntary sectors.

Financial review

At the end of 2024, the Trust held total unrestricted charity funds of £11.983 million (2023: £13.324 million). In light of ongoing macroeconomic uncertainty and volatile market conditions, the Trust's continued investment in gilts proved prudent, safeguarding the investment portfolio while maintaining strategic flexibility for potential future shifts. As of the close of 2024, the Trust held £3.503 million (2023: £2.259 million) in cash and cash-equivalent instruments managed by Sarasin, alongside £9.943 million (2023: £13.538 million) in fixed-income or liquid assets. These holdings are in addition to the funds available in the instant access bank accounts, detailed in the subsequent "Reserves" section.

The total value of the portfolio managed by Sarasin decreased by £2.350 million to £13.447 million (2023: £15.797 million), with an investment income of £401.1k (2023: £343.4k). With the Trust's requirement to fully spend its resources by November 2031, the Directors remain confident that the Grants and Commissioning Plan is appropriately calibrated. This plan includes provisions for monitoring, evaluation, and influencing efforts.

The Trust's non-grant-related expenses totalled £1.090 million in 2024 (2023: £1.026 million). The Directors are satisfied that these costs represent good value, aligning with the Board's strategic focus on maximising the Trust's impact and achieving its long-term objectives.

Principal risks and uncertainties

Throughout the year, the Directors assessed the principal risks to which the Trust is exposed, alongside the systems in place to mitigate them. While the Directors concluded that effective policies, procedures, and systems were already operational, a new Risk Register was introduced to further strengthen the Trust's risk management framework.

The principal risks identified include the potential misalignment of the Trust's strategy with its charitable objectives, failure to achieve the anticipated impact by 2031, and exposure to information security threats. Other risks include gross misconduct by senior management, non-compliance with regulatory requirements, staff recruitment and retention challenges, reputational risks from communication missteps, and misalignment of the investment strategy. Additionally, emerging risks such as ethical challenges in leveraging artificial intelligence and the implications of climate change on our mission have also been identified.

To mitigate these risks, the Trust has implemented an array of measures. Strategic reviews are conducted regularly, with the charitable objectives circulated to Directors to ensure alignment. Stakeholder relationships are cultivated, and impact assessment tools are utilised to track progress towards specific outcomes. In terms of information security, a multi-layered approach has been adopted, including cybersecurity training, robust data protection measures, and incident response plans.

Governance is strengthened through policies addressing conflicts of interest, whistleblowing, and compliance with regulatory requirements. Recruitment and retention are safeguarded by initiatives such as personal development budgets, enhanced maternity policies, and an Employee Assistance Programme. Communication risks are managed through a social media policy and the involvement of external agencies for sensitive messaging. Our investment strategy, regularly reviewed by the Audit and Risk Committee, focuses on reliable income generation aligned with the Trust's objectives.

The Board also monitors residual risks, adapting mitigation strategies as necessary to respond to the dynamic external environment. For example, we are developing measures to integrate AI into operations responsibly and to embed environmental considerations into our strategy in line with sector best practices.

This proactive and comprehensive approach reflects FiMT's commitment to maintaining the highest standards of governance. It ensures that the Trust can continue to deliver its mission effectively while safeguarding its reputation, assets, and beneficiaries. We remain steadfast in our dedication to achieving lasting impact for the Armed Forces community and will continue to refine our risk management framework to address emerging challenges.

Investment policy

Given the instability of financial markets and the Trust's low risk appetite, the Board instructed Sarasin to:

- a. Maintain up to £6 million in cash instruments within a separate segregated mandate.
- b. Invest the remaining capital exclusively in UK Government bonds, which carry negligible market risk and are projected to deliver returns of approximately 3.5% over the remaining years.

The Trust's programmes and FiMT's operational costs are financed through a combination of investment income and cash withdrawals. To ensure effective financial management, Sarasin must accurately forecast investment income from the diminishing capital base, while FiMT must provide timely notice of anticipated cash withdrawals for the forthcoming 12 months, along with expected annual expenditure until 2031.

FiMT is entirely reliant on its endowment to fund its activities. To maximise returns, withdrawals are expected to occur only upon the maturity of each bond. However, this strategy poses potential risks if FiMT's expenditure or strategic needs require access to capital before bond maturities. Consequently, a robust Trust strategy is essential for precise cashflow planning, as any changes may impact returns.

Upon the maturity of each UK Government bond, the funds will be transferred to Sarasin's short-term cash portfolio and subsequently allocated to FiMT on a quarterly basis, as agreed with the Executive.

Reserves policy and going concern

FiMT distributes grants, awards commissions and funds the central team from both income and capital. The Trust's reserves policy is to maintain a minimum of 5 months operating costs and committed grant payments in a combination of an instant access bank account and short-term funds held by the Investment Manager. Depending on the maturity dates of investments in UK Government bonds, the short-term portfolio, which is highly liquid, will currently hold no less than £1.27 million. Cashflow requirement is regularly reviewed by the FiMT Executive and quarterly by the ARC, and Sarasin informed of any significant changes, as required. For operational reasons, at least one month's forecast expenditure is maintained in an interest-earning, instant access, current account (currently Barclays Business). The balance of the funds is held by the Investment Manager in medium-term portfolios in accordance with the Investment Policy. The Directors consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Cash held in the instant access bank account is calculated to meet monthly cash flow forecasts and can be replenished at 24 hours' notice from the Investment Manager's cash/cash instruments. On 31 December 2024, cash flow for January-March 2025 was forecast to be £1.044M and instant access bank account holdings were £1.471M (31 December 2023 - £2.017M).

The Directors do not consider that there are any sources of reasonable uncertainty at the reporting date that have a significant risk of causing a material adjustment to the amounts of assets and liabilities carried within the next reporting period. Directors are aware that there are net current liabilities, but this is principally due to timing and the fact that liabilities are recognised in full for the following 12 months. There is no corresponding income recognised. In addition, the Trust has significant resources available in fixed income asset investments which could be drawn down as required to fund working capital.

Plans for the future

The annual Board Away Day will be held in February 2025, which will be an important milestone in FiMT's journey toward achieving a successful spend-out by 2031. Building on the strategic discussions and work of 2024, the Away Day will allow the Board to assess and refine its approach for the Trust's final years. With seven years remaining, FiMT is focused on leveraging the extensive evidence it has funded to improve outcomes for beneficiaries, while also considering proactive strategies to address the unique and contemporary challenges faced by Armed Forces families. This includes generating new evidence to tackle these issues and retaining the flexibility to respond to emerging needs. The outcomes of these deliberations will support the Trust in establishing a framework for the next steps, ensuring that the Trust can move forward with confidence and clarity.

Structure, governance and management

Forces in Mind Trust is an unincorporated charity, registered as such on 31 January 2012. It was established under a sole corporate trustee, FIM Trustee Limited (the Trustee), on 21 November 2011, with the Trust Deed formalised between BIG (the Founder) and the Trustee on 28 November 2011. BIG is now known as the National Lottery Community Fund.

All Directors voluntarily contribute their time and receive no remuneration or benefits from the charity. Any expenses reclaimed are detailed in Notes 4 and 7 of the accounts.

The Board convenes quarterly, with the Protector of the Trust also attending these meetings.

The Audit and Risk Committee (ARC) meets quarterly to review pertinent issues, monitor the Executive Team's activities, and provide guidance. The ARC submits a written report to each Board meeting. The Chief Executive holds delegated authority to award grants within an agreed limit. Applications exceeding this threshold, those outside the standard framework, or those deemed novel or contentious are referred to the Board for consideration.

The Board actively evaluates the impact of completed and ongoing projects and draws on key learnings to shape future initiatives over the next 12–18 months. In 2023, an Independent Programmes Strategic Advisor (IPSA) was appointed to enhance this work, supporting the Board in refining its strategic focus. The Executive Team is responsible for implementing the Board's strategy, ensuring opportunities for impact align with the Board's direction and risk appetite.

Throughout 2024, the Trust continued its Mental Health Research Programme, which is guided by a Steering Group under the remunerated chairmanship of the Chief Executive of the Centre for Mental Health. The Steering Group provides expert advice to both the Board and the Executive Team but does not have grant-awarding authority. A Director also attends Steering Group meetings.

The Forces in Mind Trust Research Centre (the Centre) is an independent grantee. However, given the size and strategic importance of its grant to the Trust's legacy, the Board maintains a keen interest in its strategic oversight. The Centre's Governance Board submits formal quarterly reports to the Board and delivers in-person briefings twice a year. Additionally, the Centre is advised by an Expert Advisory Board.

Equality, Diversity and Inclusion

The Trust is deeply committed to promoting Equality, Diversity, and Inclusion (EDI) across all aspects of its work. The Board continues to reaffirm that an equitable and inclusive approach is central to the Trust's decision-making on funding and commissioning, as well as its policy-influencing activities. The rigorous processes used to develop grant applications, commission projects, and generate research evidence ensure that the diversity within the ex-Service community is carefully considered and meaningfully reflected in the Trust's initiatives. This commitment to inclusivity ensures that the Trust addresses the full range of needs within this community.

The Trust also prioritises EDI in its organisational composition. Recruitment campaigns for new Directors and staff are designed to be open, transparent, and widely publicised to attract a diverse pool of candidates. To further embed EDI principles within its operations, the Executive Team participated in a training workshop titled Understanding Key Concepts of EDI. This foundational session was designed to enhance the team's understanding of equity, diversity, and inclusion. It provided a shared knowledge base and established a platform for more in-depth and meaningful discussions on EDI within the Trust.

By integrating EDI into both its external mission and internal culture, Forces in Mind Trust continues to ensure that its work is reflective of, and responsive to, the diverse experiences and needs of the ex-Service community.

Funders Commitment to Climate Change (FCCC)

The FCCC recognises that charitable trusts and foundations, such as Forces in Mind Trust, have a crucial role to fulfil in the united effort to mitigate and adapt to the impact of climate change. Across our investments, grant making and operations, the Trust considers the opportunities to contribute to the prevention and mitigation of the climate emergency, cognisant of the potential impact due to our unique and privileged position as an influential funder working within a large network. The Trust continues to have a dedicated member of staff who is responsible for the delivery of the Trust's commitment to the pledge.

Trust Staff

Following the introduction of a hybrid working policy, the Executive Team continues to operate both remotely and from the Trust's offices in London. Recognising the benefits of maintaining the current office space, the Trust has recently signed a new lease with Grosvenor Estates for Mountbarrow House. The long-term lease includes a rolling break clause, enabling FiMT to terminate the agreement with six months' notice after the initial two-year period.

This strategic decision reflects FiMT's commitment to prudent resource management and future adaptability. The new lease not only mitigates financial risks but also ensures the flexibility needed to accommodate the organisation's evolving requirements.

Having a dedicated office space at Mountbarrow House provides a central location for collaboration, access to professional facilities, and opportunities to strengthen team relationships through in-person interaction. This balance of remote and office-based working supports both productivity and employee well-being.

The Directors have delegated day-to-day running of the Trust to the Chief Executive, Michelle Alston.

Appointment of Directors

At the beginning of the reporting period, the Board comprised eleven Directors, including the Chair (an independent Director), four Directors nominated by Cobseo, and six other independent Directors, ensuring a diverse range of skills and expertise. During this period, three Directors stepped down.

To maintain the Board's optimal size, in line with the best practice outlined in the Charity Governance Code, the Board agreed in December 2024 to initiate the recruitment of a new Vice Chair. The Trust remains committed to ensuring that Board members possess the necessary skills to support its strategic objectives while prioritising diversity and inclusion.

The Trust recognises and values the benefits of fostering an inclusive organisation that actively embraces differences among Directors, staff, and external partners. These differences include, but are not limited to, gender, race, national and ethnic origin, colour, religion, age, sexual orientation, marital and family status, physical or mental disabilities, as well as political and other beliefs. The Trust is dedicated to providing equitable opportunities and proactively creating pathways for underrepresented groups.

Director induction and training

No new Directors were appointed this year. However, newly appointed Directors typically receive induction briefings from the Board Chair and the Chief Executive. Depending on their prior experience, additional

briefings with legal, trust, and military experts are arranged as needed, with all associated costs covered by the Trust. Departing Directors (three in this period) participate in 'exit' interviews conducted by the Board Chair.

Existing Directors are encouraged to attend professional development events throughout the year, with expenses covered by the Trust. Notable programmes offered by organisations such as NCVO, ACEVO, ACF, Legal Advisers, Auditors, and Investment Managers are regularly highlighted to the Board.

The Board undertakes annual performance reviews, both collectively and individually. Each Director holds a one-to-one discussion with the Board Chair as part of this process. Directors are also encouraged to attend Committee meetings outside their usual remit, including the Mental Health Research Programme Steering Group. An external evaluation of collective Board performance was not deemed necessary this year. The presence of the Protector at all Board meetings provided sufficient independent oversight.

Related parties and relationships with other organisations

The Trust has in place robust procedures for handling conflicts of interest. In particular, Directors and staff with a conflict of interest are not present when discussions are held and funding decisions are made in relation to that interest. The Trust maintains a full register of interests and loyalty, which is brought to Directors' attention at every meeting, and is also available on the Trust's website.

Army Benevolent Fund

The Chief Executive of the Army Benevolent Fund also serves as a Director of FIM Trustee Limited. FiMT had a sub-lease with the Army Benevolent Fund for room hire and premises services at Mountbarrow House until June 2024. From 28 June 2024, a new lease between FiMT and Grosvenor Estates no longer directly involves the Army Benevolent Fund. However, facilities management, IT support, and other services continue to be provided by the Fund. Rent, service charges, and costs for other services for the year ending 31 December 2023 amounted to £54,340 (2023: £104,248).

Cobseo

The Executive Chair of Cobseo was also a Director of FIM Trustee Limited until 11 December 2024. Up to 5 members of the Board of Directors of FIM Trustee Limited may be nominated by Cobseo and appointed by

FiMT. There was one direct transaction between FiMT and Cobseo during the period. At the year end £180 (2023: £180) membership fee was paid on behalf of FiMT.

Payments to Chairman of Cobseo were exclusively for personal expenses associated with his role as a Director of FIM Trustee Limited, and are included within Note 7 to the financial statements.

King's College London - King's Centre for Military Health Research

An Honorary Professor of King's Centre for Military Health Research (KCMHR), which is a part of King's College London (KCL), is also a Director of FIM Trustee Limited. During the period, FiMT awarded an extension to a previous project at a cost of £3,600, as described under Note 5 to the Financial Statements. FiMT sponsored "The Role of artificial intelligence in the Armed Forces community round table", produced by Kings College London, at a cost of £8,705. FiMT continue its annual sponsorship of the KCMHR Mental Health Conference at a cost of £16,000 per year. The consortium RAND Europe/Kings College London continues to run the FiMT Research Centre, awarded in 2022, until 2027.

Remuneration policy for key management personnel

In March 2016 (formally reviewed during 2021), the Board adopted a formal remuneration policy based upon an incremental salary scale, benchmarked annually using a leading market provider (currently Croner Reward) to cover cost-of-living and market comparators. The Audit and Risk Committee recommends to the Board the appropriate award for the forthcoming tax year. In March 2024, the Board accepted the Audit and Risk Committee's recommendations, all of which met the Policy requirements.

In addition to the annual salary review, the Trust also considers other employee benefits, where it is guided by sector comparators. All staff receive death-in-service insurance, and can take advantage of a cycle-to-work scheme and season ticket loan. All employees have access to an employee assistance programme and confidential employee hotline, and an annual cycle of health screening is offered to all employees. Annual leave at 30 days (plus bank holidays) is above sector average, and the Trust offers flexible working and 'time off in lieu'. The Board uses all these factors to encourage retention, which remains high.

Forces in Mind Trust does not undertake any fundraising activities, either directly or using an agency. As such, we do not currently subscribe to a fundraising code or regulation. We are not aware of any failures during the year ended 31 December 2024 (2023: none) by the charity of any person acting on its behalf, to comply with our fundraising standards, nor did we receive any complaints about fundraising activity.

Statement of responsibilities of the Directors

The Directors are responsible for preparing the Directors' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Directors 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 of the charity for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP (2019)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Directors 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. 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 Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors' report has been approved by the Directors on 17 June 2025 and signed on their behalf by:

J N Macleod
Chair of the Board

M Alston
Chief Executive

Forces in Mind Trust

Protector's report

For the year ended 31 December 2024

Report of the Protector for the year ended 31 December 2024

Background

This is my third report in my role as the Protector of the Forces in Mind Trust ('FiMT' or the 'Trust') to which I was appointed by the National Lottery Community Fund (the 'Fund'), after an open recruitment process, in December 2021 for a 5 year term.

The Trust Deed dated 28 November 2011 which established FiMT requires the Protector to prepare a statement for publication by FiMT's corporate Trustee (FiM Trustee Limited) in its annual report, explaining the Protector's function, how the function has been exercised and, if appropriate, identifying any areas of administration which require improvement and steps to be taken by the Trustee to effect such improvement.

This report covers my period in office from 1 January to 31 December 2024.

Protector's Function

The functions of the Protector are to ensure that the Trustee administers the Trust properly and to protect the Trust property.

The principal objects of the Trust are set out elsewhere in this document.

The Trust property consists of a portfolio of investments and cash representing what remains of the original settlement on the Trust by the Fund of £35 million.

If necessary, the Protector must report matters of serious concern to the Fund or to the Charity Commission. The Protector therefore has a "watch-dog" role and must monitor the Trustee and prevent it from abusing its powers or breaching its duties.

More positively, the Protector must seek to ensure, as far as possible, that the Trust is administered in accordance with the terms of the Trust Deed and give or withhold consent or approval to the exercise of certain powers by the Trustee.

How I have discharged the Protector's function

I have attended all Board meetings held during the period January - December 2024. I also joined the Board strategy away day which took place in February 2024. In addition, I have spoken and corresponded with the Chair, other trustees and the Chief Executive of the Trust, as required, during the period under review.

I have also commented on various aspects of the governance and operation of the Trust during the period.

I was not requested to consider or approve any changes to the constitution of the Trust.

Protector's report

For the year ended 31 December 2024

Governance and Management of the Trust

I am satisfied that the Trust was administered in accordance with the terms of the Trust Deed in the period from January - December 2024.

Board

2024 has seen the following changes of director on the board of the Trustee:

- in February 2024, one Cobseo nominee¹ stood down because of pressure of work elsewhere;
- the same month, an independent director (the Deputy Chair) stood down at the end of their second term; and
- in December 2024, a further Cobseo nominee stood down.

The Board currently comprises 8 directors, 3 of whom were nominated by Cobseo. This ratio preserves an appropriate balance between the independent and Cobseo nominated directors, whilst ensuring that the Trust benefits from the knowledge and sector expertise of those associated with Cobseo and its member charities.

In my report last year, I commented on the fact that the Board (then comprising 9) was a third smaller than it had been the year before, and that, whilst a smaller board can be a good thing, it was important to monitor the position going forward and to continue to assess the skills required on the Board, including for the role of Deputy Chair. I am pleased to report that there is a current open recruitment process for the Deputy Chair, which is due to conclude shortly.

I have been impressed over 2024 by the way the Board has worked together, including the contributions made by the two new independent directors (recruited after an open search process) who were appointed in December 2023, and the leadership displayed by the Chair of the Board and the Chair of the Audit and Risk Committee. All Board meetings were held in person. The quality of constructive debate and challenge is high, with good board cohesion and appropriate focus on strategic issues and constructive direction and support of the Executive.

From what I have seen, there appears to be a proper division between the strategy setting, oversight and monitoring role of the Board and the day-to-day responsibilities of the Executive. The single Board Committee – the Audit and Risk Committee - reports to each Board meeting. There are continued opportunities at the beginning and end of each Board meeting for informal exchanges between Board members and with the Trust's Executive, which is positive. The wider Executive's input is sought in planning (for instance at the Board's strategy day), as well as on appropriate items on the Board agenda.

¹ Cobseo has the right under the articles of association of the Trustee to nominate up to 5 directors.

Forces in Mind Trust

Protector's report

For the year ended 31 December 2024

Executive

As noted in last year's report, Michelle Alston was appointed as the Trust's new CEO in October 2023. She is to be commended for her intelligent and collegiate approach to the role, and the speed and diligence with which she has taken up its challenges.

The wider Executive are also to be congratulated for the welcome and support which they have given her.

Looking forward

The Trust has re-focused during 2024, with a view to continuing to drive meaningful change and achieve positive impact in relation to the Trust's core mission – successful transition from service to civilian life - but also to begin the assessment, within what are likely to be the final six years of the Trust's life², of what its best legacy can be.

This includes ongoing engagement with the FiMT Research Centre (operated by a consortium of RAND Europe and the King's Centre for Military Health Research) - in order to secure continued output of authoritative research to underpin policy decisions in the area of the Trust's purposes (evidence-generation on transition issues being core to this) - and with other key players so as to enable and convene collaboration in this area.

The Board and Executive are working well together, with a view to identifying the best route forward for the Trust. The commitment of the Chair, the rest of the Board and the Executive Team to ensuring the Trust's future effectiveness and to creating a fitting legacy for the Trust is clear. I look forward to continuing to work with the Trust through 2025.

Alison Paines

Protector – Forces in Mind Trust (January - December 2024)

February 2025

² Clause 4 of the Trust Deed dated 28 November 2011 requires the Trustee to hold the Trust Fund upon trust to invest it and to apply the same and its income 'so that so far as possible and by the expiration of twenty years from the date of the Trust Deed the whole of the Trust Fund and the Income shall have been applied in furtherance of the Objects'.

Independent auditor's report

To the trustees of

Forces in Mind Trust

Opinion

We have audited the financial statements of Forces In Mind Trust (the 'charity') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including 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 charity's affairs as at 31 December 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 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

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

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

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

Independent auditor's report

To the trustees of

Forces in Mind Trust

Other information

The other information comprises the information included in the trustee's annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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 trustee's report; or
- the charity has not kept adequate and proper 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 the Trustee

As explained more fully in the trustee's responsibilities statement, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report

To the trustees of

Forces in Mind Trust

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made or having effect thereunder.

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

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

We gained an understanding of the legal and regulatory framework applicable to the Charity and the sector in which it operates and considered the risk of the Charity not complying with the relevant laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting, and tax legislation. In relation to the operations of the Charity this included compliance with the Charities Act 2011 and SORP 2019.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified.

These included the following:

- Review of legal fees incurred;
- Reviewing minutes of Director Board meetings;
- Agreeing the financial statement disclosures to underlying supporting documentation;
- Enquiring of management, including those charged with governance;
- Reviewing key accounting policies and estimates

To address the risk of management override of controls, we reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal

Independent auditor's report

To the trustees of

Forces in Mind Trust

entries and other adjustments for appropriateness. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustee, 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 trustee 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 charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Cooper-Davis FCCA ACA

(Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

24 Old Bond Street

London

W1S 4AP

Date 20 June 2025

Forces in Mind Trust

Statement of financial activities

For the year ended 31 December 2024

	Note	Endowment £	Unrestricted £	2024 Total £	2023 Total £
Income from:					
Investments	3	401,056	–	401,056	343,396
Total income		401,056	–	401,056	343,396
Expenditure on:					
Raising funds		–	164,985	164,985	134,120
Charitable activities					
Knowledge and Evidence		–	1,482,618	1,482,618	1,924,402
Collaboration and Leadership		–	–	–	(6,760)
Influence and Convening		–	198,616	198,616	131,684
Capacity Building		–	–	–	500,151
Total expenditure	4	–	1,846,219	1,846,219	2,683,597
Net income / (expenditure) before net gains on investments		401,056	(1,846,219)	(1,445,163)	(2,340,202)
Net loss/(gain) on investments	11	104,299	–	104,299	287,744
Net income / (expenditure)	6	505,355	(1,846,219)	(1,340,864)	(2,052,458)
Transfers between funds	17	(1,846,219)	1,846,219	–	–
Net movement in funds		(1,340,864)	–	(1,340,864)	(2,052,458)
Reconciliation of funds:					
Total funds brought forward		13,324,331	–	13,324,331	15,376,789
Total funds carried forward	17	11,983,467	–	11,983,467	13,324,331

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

Forces in Mind Trust

Balance sheet

As at December 2024

	Note	£	2024 £	2023 £
Fixed assets:				
Investments	11		13,447,075	15,797,216
			<u>13,447,075</u>	<u>15,797,216</u>
Current assets:				
Debtors: amounts falling due within one year	12	24,060	26,450	
Debtors: amounts falling due after one year	13	14,954		
Cash at bank and in hand		1,470,956	2,017,385	
		<u>1,509,970</u>	<u>2,043,835</u>	
Liabilities:				
Creditors: amounts falling due within one year	14	(1,915,159)	(2,453,040)	
Net current liabilities			<u>(405,189)</u>	<u>(409,205)</u>
Total assets less current liabilities			<u>13,041,886</u>	<u>15,388,011</u>
Creditors: amounts falling due after one year	15		(1,058,419)	(2,063,680)
Total net assets	17		<u><u>11,983,467</u></u>	<u><u>13,324,331</u></u>
The funds of the charity:				
Endowment funds			11,983,467	13,324,331
Unrestricted general funds			–	–
Total charity funds	17		<u><u>11,983,467</u></u>	<u><u>13,324,331</u></u>

Approved by the trustee on 17 June 2025 and signed on their behalf by

J M Macleod
Chairman of the Board

M Alston
Chief Executive

Forces in Mind Trust

Statement of cash flows

For the year ended 31 December 2024

	Note	2024 £	£	2023 £	£
Net expenditure for the reporting period (as per the statement of financial activities)		(1,340,864)		(2,052,458)	
Dividends, interest and rent from investments	3	(401,056)		(343,396)	
(Gains)/losses on investments	12	(104,299)		(287,744)	
(Increase) in debtors		2,390		(4,613)	
(Decrease)/increase in creditors		(1,543,142)		(543,454)	
Net cash (used in) operating activities			(3,386,971)		(3,231,665)
Cash flows from investing activities:					
Dividends and interest from investments		401,056		343,396	
Depreciation of fixed assets		–		–	
Proceeds from sale of investments	12	6,454,440		4,165,230	
Purchase of investments	12	(4,000,000)		–	
Cash movement within investment portfolio					
Net cash provided by investing activities			2,855,496		4,508,626
Change in cash and cash equivalents in the year			(531,475)		1,276,961
Cash and cash equivalents at the beginning of the year			2,017,385		740,424
Cash and cash equivalents at the end of the year			1,485,910		2,017,385

1 Accounting policies

a) Statutory information

Forces in Mind Trust is an unincorporated charity, registered with the Charity Commission in England and Wales.

The registered office address is Mountbarrow House, 6–20 Elizabeth Street, London, SW1W 9RB.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a ‘true and fair’ view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a ‘true and fair view’. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn. The financial statements are prepared in pounds sterling and are rounded to the nearest pound.

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

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

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Key judgements that the charity has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

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

Income from government and other grants, whether ‘capital’ grants or ‘revenue’ grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

f) Interest and dividends receivable

Interest on funds held on deposit and dividends are included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1 Accounting policies (continued)

g) Fund accounting

The expendable endowment fund provided by the Big Lottery Fund will be used over a 20 year period to support the charitable activities of the Trust. In accordance with the Trust Deed, the whole of the Trust Fund and Income will have been applied in furtherance of the charitable objectives by 28 November 2031. Transfers are made from the endowment fund to cover expenditure incurred during the year by the Trust

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

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 relate to investment manager fees
- Expenditure on charitable activities includes the costs of grant making undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

	2024	2023
● Knowledge and Evidence	57.0%	49.0%
● Collaboration and Leadership	0.0%	1.0%
● Influence and Convening	8.0%	3.0%
● Capacity Building	0.0%	12.0%
● Cost of raising funds	10.0%	10.0%
● Governance costs	25.0%	25.0%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with the constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1 Accounting policies (continued)

j) Grants payable

Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Multi-year grants are fully accounted for in the year the grant is approved. Payments falling due in later years are provided for as a liability on the balance sheet. This reflects the Trust's experience that only in exceptional circumstance are approved grants subsequently not paid.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £5,000, including VAT. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. Software is assumed to have a useful economic life of five years and depreciated on that basis on a straight line basis. Assets not yet in use but which are expected to be utilised in future are held at cost until they are brought into use.

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

1 Accounting policies (continued)

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

Creditors and provisions are recognised where 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The charity only has financial assets and financial 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

The charity makes payments to defined contribution pension schemes on behalf of employees. The assets of the schemes are held separately from those of the charitable company in independently administered funds. The pension cost charge represents contributions payable to the funds during the year. The charity has no liability under the schemes other than the payment of those contributions.

2 Detailed comparatives for the statements of financial activities

	Endowment £	Unrestricted £	2023 £
Income from:			
Investments	343,396	–	343,396
Total income	343,396	–	343,396
Expenditure on:			
Raising funds	–	134,120	134,120
Charitable activities	–	2,549,477	2,549,477
Total expenditure	–	2,683,597	2,683,597
Net income / expenditure before gains on investments	343,396	(2,683,597)	(2,340,201)
Net gains on investments	287,743	–	287,743
Net income / expenditure	631,139	(2,683,597)	(2,052,458)
Transfers between funds	(2,683,597)	2,683,597	–
Net movement in funds	(2,052,458)	–	(2,052,458)
Total funds brought forward	15,376,789	–	15,376,789
Total funds carried forward	13,324,331	–	13,324,331

3 Income from investments

	2024 Total £	2023 Total £
Income from investments	386,014	330,234
Bank interest	15,042	13,162
	401,056	343,396

All income from investments is allocated to endowment funds.

4a Analysis of expenditure

Charitable activities

	Cost of raising funds £	Knowledge and Evidence £	Collaboration and Leadership £	Influence and Convening £	Capacity Building £	Governance costs £	Support costs £	2024 £	2023 Total £
Staff costs (Note 7)	54,441	374,073	–	50,112	–	161,055	116,443	756,124	650,914
Recruitment costs	–	–	–	–	–	–	11,404	11,404	24,732
Travel and subsistence	–	8,801	–	1,179	–	–	–	9,980	23,703
Grants payable (Note 5)	–	666,733	–	89,318	–	–	–	756,051	1,656,662
Investment manager's fees	48,555	–	–	–	–	–	–	48,555	31,743
Advisors' fees and expenses	–	–	–	–	–	14,400	–	14,400	15,000
Auditors' remuneration	–	–	–	–	–	17,740	–	17,740	11,030
Premises costs	–	–	–	–	–	–	100,572	100,572	93,779
Legal and professional fees	–	71,743	–	9,611	–	–	–	81,354	137,264
Marketing and communications	–	–	–	–	–	3,360	–	3,360	2,070
Directors' expenses	–	–	–	–	–	2,825	389	3,214	5,788
Office costs	–	–	–	–	–	2,646	40,819	43,465	30,912
	102,996	1,121,350	–	150,220	–	202,026	269,627	1,846,219	2,683,597
Support costs	26,963	154,554	–	20,704	–	67,407	(269,627)	–	–
Governance costs	35,026	206,714	–	27,692	–	(269,433)	–	–	–
Total expenditure 2024	164,985	1,482,618	–	198,616	–	–	–	1,846,219	2,683,597
Total Expenditure 2023	134,120	1,924,402	(6,760)	131,684	500,151	–	–		2,683,597

4b Analysis of expenditure (prior year)

	Charitable activities							2023 £	2022 Total £
	Cost of raising funds £	Knowledge and Evidence £	Collaboration and Leadership £	Influence and Convening £	Capacity Building £	Governance costs £	Support costs £		
Staff costs (Note 7)	54,441	320,184	(1,125)	21,910	83,216	161,055	116,443	650,914	667,362
Recruitment costs	–	–	–	–	–	–	24,732	24,732	26,713
Travel and subsistence	–	17,892	(63)	1,224	4,650	–	–	23,703	18,295
Grants payable (Note 5)	–	1,250,486	(4,393)	85,569	325,000	–	–	1,656,662	4,433,235
Investment manager's fees	31,743	–	–	–	–	–	–	31,743	18,539
Advisors' fees and expenses	–	–	–	–	–	15,000	–	15,000	15,600
Auditors' remuneration	–	–	–	–	–	11,030	–	11,030	10,010
Premises costs	–	–	–	–	–	–	93,779	93,779	88,938
Legal and professional fees	–	103,610	(364)	7,090	26,928	–	–	137,264	96,694
Marketing and communications	–	–	–	–	–	2,070	–	2,070	3,348
Directors' expenses	–	–	–	–	–	5,234	554	5,788	2,236
Office costs	–	–	–	–	–	–	30,911	30,911	31,550
	86,184	1,692,172	(5,945)	115,793	439,794	194,389	266,419	2,683,597	5,412,520
Support costs	26,642	130,714	(459)	8,945	33,973	66,605	(266,419)	–	–
Governance costs	33,929	171,394	(602)	11,728	44,545	(260,994)	–	–	–
Total expenditure 2023	146,755	1,994,280	(7,006)	136,466	518,312	–	–	2,683,597	5,412,520
Total Expenditure 2022	122,510	5,115,336	(26,031)	100,841	99,864	–	–		5,412,520

The negative balances showing for collaboration and leadership have arisen as a result of funds awarded in previous years having been returned to us in the year to 31 December 2023.

5 Grant making

	2024 £	2023 £
Creditors at the start of the year	4,440,304	4,994,350
Grants awarded in the year (Note 4 and detailed below)	667,078	1,571,093
Costs related to monitoring and evaluation of grants awarded	88,973	85,569
Grants paid	(2,299,936)	(2,210,708)
Total creditors at the end of the year	2,896,419	4,440,304
Creditors due within one year (Note 14)	1,838,000	2,376,624
Creditors due in over one year (Note 15)	1,058,419	2,063,680
Total creditors at the end of the year	2,896,419	4,440,304

Notes to the financial statements

For the year ended 31 December 2024

5 Grant making (continued)		2024	2023
Grants awarded in the year:	Charitable Activity	£	£
Domestic violence and abuse among military spouses and partners: impact of military life and culture, perceptions of support available and barriers to seeking help. King's College London	Knowledge and Evidence	(4,134)	–
PETT: External pilot RCT to evaluate a research protocol comparing RTM intervention with TF-CBT delivered by charities treating PTSD in ex-military veterans	Knowledge and Evidence	(1,874)	–
A Roadmap to ensure achievement of No Homeless Veterans. The Riverside Group Limited on behalf of the Cobseo Housing Cluster	Influence and Convening	(15,780)	–
Kings College – Additional Grant	Knowledge and Evidence	3,600	–
Does military trauma accelerate the ageing process, University of Birmingham	Knowledge and Evidence	298,134	–
Review of Living in Our Shoes and the Armed Forces Families Strategy, University of Worcester	Knowledge and Evidence	329,366	–
Armed Forces Community – Solving the Problem of Poor Engagement with Transition to civilian life within the Armed Forces Community – identify phase	Knowledge and Evidence	62,752	–
Probation Institute Ltd – Accelerator project: knowledge mobilisation with justice sector professionals, Probation Institute	Knowledge and Evidence	25,408	–
Armed Forces Covenant toolkit update, Shared Intelligence	Influence and Convening	16,125	–
The MONARCH Study (formally known as Map of Need), Northumbria University	Capacity Building	–	325,000
Treating co-occurring alcohol use & common mental disorders, Lancaster University	Knowledge and Evidence	–	148,386
Efficacy & mechanisms evaluation of novel therapy vs waiting list control for PTSD in UK military veterans, King's College London	Knowledge and Evidence	–	329,225
Our Community, Our Covenant 4, RAND Europe	Knowledge and Evidence	–	499,701
Transition Mapping Study 3, QinetiQ	Knowledge and Evidence	–	406,799
Veterans entering the criminal justice system, King's College London	Knowledge and Evidence	–	(2,989)
Windsor Leadership Trust	Knowledge and Evidence	–	(4,395)
The Poppy Factory IPS Pilot for Wounded, Injured and Sick Veterans, The Poppy Factory	Knowledge and Evidence	–	(15,543)
Pioneer Programme – MDMA-Assisted Psychotherapy Research for treatment-resistant PTSD, Supporting Wounded Veterans and King's College London	Capacity Building	–	(81,250)
Edinburgh Napier underspend	Knowledge and Evidence	–	(3,351)
Northumbria University underspend	Knowledge and Evidence	(46,519)	(20,493)
Examining prevalence and understanding of social isolation and loneliness of war widows, Northumbria University	Knowledge and Evidence	–	(9,997)
Sub-total – grant awards		667,078	1,571,093
Other costs related to grants awarded		88,973	85,569
Total costs of grant making		756,051	1,656,662

6 Net income/(expenditure) for the year

	2024	2023
	£	£
This is stated after charging / crediting:		
Auditor's remuneration (excluding VAT):		
▪ Audit	10,750	9,850
▪ Accounts preparation	1,750	1,375
Advisor's fees and expenses (Protector)	14,400	15,000
Operating lease rentals		
▪ Property	51,425	13,070

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2024	2023
	£	£
Staff costs were as follows:		
Salaries and wages	644,312	557,017
Social security costs	65,464	55,369
Employer's contribution to defined contribution pension schemes	38,540	32,769
Death in Service benefit	2,994	3,359
Other Staff costs	4,815	2,400
	756,125	650,914

There were four employees whose costs excluding contributions exceeded £60,000 during the year, these are summarised as follows:

	2024	2023
	No.	No.
£60,000 – £69,999	2	3
£70,000 – £79,999	1	–
£100,000 – £109,999	1	–
£110,000 – £119,999	1	1

The charity considers its key management personnel to comprise of one person (2023: two persons). The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £119,242 (2023: £123,809).

The charity directors were not paid or received any other benefits from employment with the charity in the year (2023: £nil). No charity director received payment for professional or other services supplied to the charity (2023: £nil).

Directors' expenses represents the payment or reimbursement of travel and subsistence costs totalling £3,214 (2023: £5,788) incurred by 6 (2023: 6) members relating to attendance at meetings of the directors.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2024	2023
	No.	No.
Raising funds – investment management	1.0	0.9
Governance	2.8	2.6
Knowledge and Evidence	6.1	4.8
Influence and Convening	0.8	0.3
Capacity Building	–	1.3
	10.7	9.9

9 Related party transactions

The value of the related party transactions is £83k (2023: £434k). Full details of this figure is given on pages 21–22 of the Directors' Annual Report.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Listed investments

	2024 £	2023 £
Fair value at the start of the year	15,797,216	19,674,702
Additions at cost	4,000,000	–
Disposal proceeds	(6,454,440)	(4,165,230)
Net loss/(gain) on change in fair value	104,299	287,744
	<u>13,447,075</u>	<u>15,797,216</u>
Cash held by investment broker pending reinvestment	–	–
Fair value at the end of the year	<u>13,447,075</u>	<u>15,797,216</u>
Investments comprise:	2024 £	2023 £
Fixed Interest Bonds	9,943,326	13,538,055
Liquid Funds	3,503,749	2,259,161
	<u>13,447,075</u>	<u>15,797,216</u>

Notes to the financial statements

For the year ended 31 December 2024

12 Debtors: amounts falling due within one year		2024 £	2023 £
Prepayments		24,060	26,450
Other debtors		–	–
		<u>24,060</u>	<u>26,450</u>

With the exception of listed investments, all of the charity's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 14 and 15 below.

13 Debtors: amounts falling due after one year		2024 £	2023 £
Other debtors		14,954	–
		<u>14,954</u>	<u>–</u>

14 Creditors: amounts falling due within one year		2024 £	2023 £
Trade creditors		21,918	29,982
Taxation and social security		20,698	20,289
Accruals		25,770	20,600
Grants payable (Note 5)		1,838,000	2,376,624
Other creditors		8,773	5,545
		<u>1,915,159</u>	<u>2,453,040</u>

15 Creditors: amounts falling due after one year

	2024 £	2023 £
Grants payable (Note 5)	<u>1,058,419</u>	<u>2,063,680</u>
Grants are paid in line with agreed timetables and are payable:		
In less than one year	1,838,000	2,376,624
Between one and five years	<u>1,058,419</u>	<u>2,063,680</u>
	<u>2,896,419</u>	<u>4,440,304</u>

16a Analysis of net assets between funds (current year)

	Endowment funds £	General funds £	Total funds £
Investments	13,447,075	–	13,447,075
Net current liabilities	(405,189)	–	(405,189)
Long term liabilities	(1,058,419)	–	(1,058,419)
Net assets at the end of the year	<u>11,983,467</u>	<u>–</u>	<u>11,983,467</u>

16b Analysis of net assets between funds (prior year)

	Endowment funds £	General funds £	Total funds £
Investments	15,797,216	–	15,797,216
Net current liabilities	(409,205)	–	(409,205)
Long term liabilities	(2,063,680)	–	(2,063,680)
Net assets at the end of the year	<u>13,324,331</u>	<u>–</u>	<u>13,324,331</u>

17a Movements in funds (current year)

	At 1 January 2024 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2024 £
Endowment funds	13,324,331	505,355	–	(1,846,219)	11,983,467
Total endowment funds	13,324,331	505,355	–	(1,846,219)	11,983,467
Unrestricted funds:					
General funds	–	–	(1,846,219)	1,846,219	–
Total unrestricted funds	–	–	(1,846,219)	1,846,219	–
Total funds	13,324,331	505,355	(1,846,219)	–	11,983,467

17a Movements in funds (prior year)

	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2023 £
Endowment funds	15,376,789	631,140	–	(2,683,597)	13,324,331
Total endowment funds	15,376,789	631,140	–	(2,683,597)	13,324,331
Unrestricted funds:					
General funds	–	–	(2,683,597)	2,683,597	–
Total unrestricted funds	–	–	(2,683,597)	2,683,597	–
Total funds	15,376,789	631,140	(2,683,597)	–	13,324,331

Purposes of endowment funds

The expendable endowment fund provided by the Big Lottery Fund will be used over a 20 year period to support the charitable activities of the Trust. In accordance with the Trust Deed, the whole of the Trust Fund and Income will have been applied in furtherance of the charitable objects by 28 November 2031.

18 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2024 £	2023 £
Less than one year	49,845	13,070
Due between 2 to 5 years	49,845	–
	<u>99,690</u>	<u>13,070</u>

19 Corporate Trustee

Forces in Mind Trust is managed by a sole corporate trustee which is FIM Trustee Limited, registered company no. 07855145. Forces in Mind Trust is used to disburse funds for charitable purposes or activities. All activities take place within the Trust and are directed by the Trustee, FIM Trustee Limited.

FORCES IN MIND TRUST

England & Wales - Charity number 1145688

Accounts

Charity number: 1145688

Forces in Mind Trust

Report and financial statements

For the year ended 31 December 2023

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For the year ended 31 December 2023

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Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2023

Charity number	1145688	
Registered office	Alexandra House St Johns Street Salisbury SP1 2SB	
Operational address	Mountbarrow House 6-20 Elizabeth Street London SW1W 9RB	
Country of registration	England and Wales	
Trustee	FIM Trustee Ltd	
Principal staff	Michelle Alston	Chief Executive (From October 2023)
	Tom McBarnet	Director of Programmes (Acting Chief Executive until October 2023)
	Caroline Cooke	Head of Policy
	Rodrigo Voss	Head of Operations & Governance
	Clare Crookenden	Grants & Programmes Manager
Bankers	Barclays Bank UK PLC 1st Floor 27 Soho Square London W1D 3QR	
Solicitors	Wisons Solicitors LLP Alexandra House St Johns Street Salisbury SP1 2SB	

Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2023

Auditor	Price Bailey LLP Chartered Accountants Statutory Auditors 24 Old Bond Street London W1S 4AP
Investment Manager	Sarasin and Partners Juxon House 100 St. Paul's Churchyard London EC4M 8BU

The Forces in Mind Trust has a single corporate Trustee, FIM Trustee Limited.

The Directors of FIM Trustee Limited during the period 1 January 2023 to 11 June 2024 were:

Chair	J Macleod CB CVO	Chair of the Board
Director	K Alpin	Board Member
Director	AVM Retd C Elliot CB CBE DL	Board Member (resigned 8 February 2023)
Director	R P Harries	Chair of the Programmes Committee (resigned 31 May 2023)
Director	R Hornsby-Clifton	Chair of the Audit and Risk Committee
Director	Maj Gen Retd T D Hyams CB OBE	Board Member
Director	K McCullough	Board Member
Director	D Mills	Board Member (resigned 7 February 2024)
Director	Professor D Murphy	Board Member
Director	Lt Gen Retd Sir N Pope KCB CBE	Member of the Audit and Risk Committee
Director	A S D Reding	Member of the Audit and Risk Committee (resigned 15 November 2023)
Director and Deputy Chair	N J Roberts	Member of the Audit and Risk Committee and Deputy Chair of the Board (resigned 8 February 2024)
Director	A Skelton	Board Member (appointed 13 December 2023)

Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2023

Director	E Spencer	Member of the Audit and Risk Committee (appointed 13 December 2023)
Director	A C Ward	Member of the Audit and Risk Committee (resigned 13 December 2023)

The Trust’s Honorary President is Air Vice–Marshal Retd A J Stables CBE.

Chair's Foreword

I am pleased to report that, after a full year as Chair, I can confidently say that my initial impressions that FiMT is delivering on its vision to support Service personnel and their families in successfully transitioning to fulfilling civilian lives were well founded. Amongst a range of successes in 2023, I would characterise this year against two broad themes: looking ahead to 2031 and our legacy when FiMT's endowment ends, whilst continuing to deliver real impact today by driving the generation, publication, and utilisation of research. Against both these broad themes I believe we have had a good year.

We are now firmly in the latter half of FiMT's 20-year endowment. As such, we are working to ensure that we can consolidate the success and credibility we have established in our first 12 years – credibility we have built up through our work in addressing the contemporary and emerging challenges the Armed Forces community may face. To support this shift, FiMT has made a number of changes to its governance and funding mechanisms, recruited a new Chief Executive and developed a strategy for the future. We have done this while continuing to fund and support evidence generation and exploitation and delivering positive impact across significant areas of the sector. For example, in 2023, through our research we have recognised the need for a trauma-informed benefits system; provided recommendations on how to support Service personnel and their families with robust life skills; and published work examining the experiences of bereaved partners and identifying the support they may need.

Forces in Mind Trust has always prided itself on funding evidence and understanding on issues that are not as well recognised or supported. This year, we have recognised the key role of the family within Service, gaining a greater understanding on the financial resilience of families and the impact of this on transition. In response to the recognition that there is no treatment available for those veterans affected by moral injury-related distress (caused by Service personnel having to make decisions that conflict with their moral beliefs), we have supported the pilot study which has trialled a new psychological treatment. This work represents the first evidence of an effective specific treatment for the challenges presented by moral-injury in the UK. We have also supported Fighting With Pride in their development of the Pride in Veterans Standard, to help further inclusion and equality of treatment for LGBTQ+ veterans.

Of course, we do not work in a vacuum and recognising the evolving challenges modern Service personnel, families and veterans may face is essential to FiMT's future work. We have therefore undertaken activities to remain abreast of the contemporary and future environment including commissioning a two-year study to understand the changing nature of transition and the experiences of contemporary Service families. Through convening key stakeholders in this space at a consultation event at St George's House, Windsor, we were able to identify some of the key issues for the research to explore. Whilst our work shows that there has been significant progress in supporting Service leavers and their families to transition well in the past decade, in no small part due to FiMT's funded research and evidence, much still needs to be done. It therefore remains essential that we continue to examine whether changes have the intended impact, whether they

remain relevant to Service life and transition in the modern era, and ensure that there are no pockets of veterans who remain disadvantaged.

One of the areas that I have been impressed by is our work with Kings College and RAND during the first year of operation of the new Forces in Mind Trust Research Centre. This partnership, amongst a range of other outcomes, is ensuring that for the first-time research on transition issues is proactively brought into a single location and is “free at the point of use” for anyone to benefit from. The power of this authoritative single repository is already being seen in the UK and it is also attracting considerable interest from overseas. In addition, the clear and digestible analysis of key research and policy issues being produced by the Centre is ensuring research conclusions are accessible to policy makers and service delivers in a manner that best helps improve outcomes for former Service personnel. I fully expect the Research Centre to form a key tenet of our future strategy and FiMT’s legacy.

The Board has also taken a deep dive into FiMT’s future to ensure that we meet the intent of our funder. We are determined to build a worthy legacy, based on the foundations of the evidence and knowledge we have generated and the independent role we have in the sector. This has been central to FiMT’s success to date and will continue to be an important part of our future as we focus on the unique role we can play in the sector and the community.

We have also undertaken a considerable review of our governance to ensure it is fit for purpose and providing the underpinning foundations for our work. This has seen a reforming of the grants process, as well as a merging of the Finance and Investment Committee and the Governance Committee to create the new Audit and Risk Committee. These changes will help strengthen our governance procedures whilst streamlining processes to ensure FiMT is achieving the most impact it can for our community. We have also welcomed Katy Sawyer as our Independent Programmes Strategic Advisor to provide a continued rigorous approach to our grant making during this transition period.

This report also marks the end of a year where there has been change within our executive leadership. We welcomed a new Chief Executive, Michelle Alston, in October 2023 who has joined us with 10 years’ experience in the military charity sector and a background in analysis, policy and communications in the public sector, providing a solid foundation for our future work and strategy. I would like to publicly thank Tom McBarnet for his significant support as interim Chief Executive during most of this year, not only providing stability for the organisation, but also supporting both Michelle and me as we onboarded into the organisation.

We have also seen changes within our board of directors, with the departure of Richard Harries, Chris Elliot, Anais Reding, Andrew Ward and Deirdre Mills, who provided the charity with generous support over the last six years. We have welcomed Adrienne Skelton and Elizabeth Spencer, who provide additional experience and expertise in policy, impact measurement, and risk management.

So, as I look ahead, I am delighted by the continual positive impact that FiMT has on supporting serving personnel and their families as they transition from military to civilian life; and on the great strides it has made over the last year to set itself up for continued success out to 2031. 2024 promises to be an exciting year for FiMT and I remain privileged to Chair a Board of dedicated directors, supported by the motivated and highly capable staff who make up FiMT. I remain immensely proud of our positive impact in support of the Armed Forces community and look forward to another year in which FiMT continues to make a difference to veterans and their families.

Jim Macleod CB CVO
Chair, Forces in Mind Trust
June 2024

Introduction

The Directors of the Trustee (FIM Trustee Limited) present their Report, together with the audited financial statements of Forces in Mind Trust for the year ended 31 December 2023.

Reference and administrative information set out on pages 1 to 3 forms part of this report. The financial statements comply with current statutory requirements, the charity's trust deed and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP (2019) applicable to charities preparing their accounts in accordance with FRS 102.

The Directors would like to express their gratitude for the continued support and engagement of the Trust's Protector, Alison Paines, whose report is included below.

Comment on Protector's Report

The current Protector was appointed in December 2021 by the National Lottery Community Fund; her role and responsibilities are fully described in her Report. The Directors welcome, and are encouraged by, the comments contained in the Protector's Report. The Protector's attendance at Board and a selection of Committee meetings contributes positively to the Trust's development, and the Board is grateful to her considered advice.

Objectives and activities

Purposes and aims

Forces in Mind Trust (FiMT, or the Trust) is a registered charity (Charity number: 1145688) which has as its charitable aims:

The prevention and relief of poverty, the protection of mental and physical health and the relief of sickness and need amongst serving and former serving members of the Armed Forces by means of the provision of mentoring, services, facilities and equipment to support their treatment, rehabilitation, resettlement, education, training and employment and thereby support their transition to civilian life;

and

The protection of the mental and physical health, and the relief of poverty of the families and dependants of serving and former serving members of the Armed Forces in all cases for the benefit of the public.

The Directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities and are confident that the Trust's activities meet the Charity Commission's requirements

with regard to public benefit. In particular, the Directors considered how the planned activities will contribute to the aims and objectives that have been set. In its twelfth year of operation, FiMT has taken significant steps towards delivering the impact its Founder intended by continuing work using the strong foundations that were laid in the first eleven years of its planned 20-year life. The Directors review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period.

The conceptually well-targeted grant-giving programme, supported by strategic influence activities, has remained at the core of the Trust's activities, with an increasing emphasis on commissioning and co-creation versus responsive funding.

In October 2023, a permanent Chief Executive was appointed, Michelle Alston. Michelle joined the Trust from her previous position as Policy and Research Director at the Army Families Federation. Before joining the Trust Michelle worked in several roles across the public and charity sectors and, being part of a serving Army family, understands the opportunities and challenges associated with military life, and has brought with her a deep knowledge and networks across the Armed Forces Charity sector and FiMT's wider stakeholder base.

The Board is extremely grateful to Tom McBarnet for acting as Chief Executive between June 2022 and October 2023. During that period Tom brought much needed stability to the Trust, and he was able to hand over to Michelle an organisation that was ready to continue the Trust's work for the future.

Achievements and performance

The Trust's main activities in the course of the year are described below. All charitable activities ultimately focus on ex-Service personnel and their families and are undertaken to further our charitable purposes for the public benefit.

Grants and Commissioning Plan

During the period, 5 awards were made (previous period 15), listed below. Other costs related to grants awarded totalling £85,569 (2022: £84,933) are also shown. Full details of amounts and types of grants can be found at Note 5 to the financial statements and on the Trust's website (section 'who we have helped' <http://www.fim-trust.org/who-we-have-helped/>). Grants made in 2023 were:

- The MONARCH Study. Northumbria University
- Treating co-occurring alcohol use & common mental disorders. Lancaster University*
- Efficacy & mechanisms evaluation of novel therapy vs wait list control for PTSD in UK military veterans. King's College London*
- Our Community, Our Covenant and beyond. RAND Europe
- Understanding the Transition from Military to Civilian Life. QinetiQ

*Award made through the Mental Health Research Programme

The Trust's aim is to create the conditions for enduring, positive change. The impact of previous years' grant awards, and also where appropriate those listed previously, is described in the following section on Impact and Influence.

Over the past decade, both through funding projects and influencing work, the Forces in Mind Trust team have significantly influenced policy and practice to support ex-Service personnel and their families to make a successful and sustainable transition.

To maintain the Trust's effectiveness and impact, in June 2023 it agreed that it was prudent to ease grant-making activities in the short-term whilst the Board undertook key strategy work to ensure that resources were targeted to the most appropriate areas.

The total value of the 2023 awards, less other costs related to grants awarded was £1.657 million (previous period £4.433 million, which had also included the substantial £2.5 million grant for the new FiMT Research Centre).

Total charitable expenditure for the year amounted to £2.549 million (previous period £5.290 million).

Previously, the Programmes Committee oversaw our grant-making strategy. Following recommendations from the Board's 2023 strategy review, the committee's functions were absorbed by the Board in August. This allowed for a comprehensive review of our future grant-making processes alongside our evolving strategic priorities. Given our limited remaining resources, this shift aimed to ensure remaining grants align even more closely with our new strategic direction.

In 2023, the Trust specifically chose to exemplify the principle of commissioning work where it saw the strongest opportunities for impact, rather than to respond, in the main, to external grant applications. Therefore, FiMT awarded two substantial awards: 'Our Community, Our Covenant, and Beyond', and 'Understanding the Transition from Military to Civilian Life'. These projects aimed to maintain the progress achieved in understanding how the Covenant and wider support is practically being delivered to veterans and their families; and to re-examine contemporary challenges of transition and progress of recent Government changes to transition support.

In addition, two other awards were made under the Trust's Mental Health Research Programme, and a separate award was also made to partner with the MOD in a sector-leading approach to develop a comprehensive national resource of verifiable veteran data which could enable better resource planning and provision in order to reduce the instances of health and social care crisis in the military veteran's community and inform early identification and intervention strategies.

Impact and Influence

Impact

Although, in terms of individual awards, new grant-making activity was reduced compared to previous years, in terms of value and impact the Trust has continued to play an influential role in supporting the successful and sustainable transition of ex-Service personnel and their families to civilian life, exploiting the benefits of its investment in a credible evidence base and the associated resources of the Forces in Mind Trust Research Centre to inform its and others' work.

During the course of the year, eight significant reports were published which provided important findings and recommendations for improved public policy and service provision.

- **Improving Life Skills in the UK Armed Forces:** Research into the most negative transition experiences has shown that weaker life skills are common amongst those who struggle to adapt to civilian life, including those in the criminal justice system and homeless veterans. Whilst there is significant support available for Service personnel and their families when they leave the Armed Forces, there are currently gaps in the provision for life skills development and ensuring the support available reaches those in most need. This report, undertaken with MOD support, put the reality of Service persons' experience into perspective, assessing what support is already provided, whilst also making a number of recommendations for improving life skills in the Armed Forces and aiding individuals transition to civilian life.
- **Developing an Intervention for Moral-Injury Related Mental Health Difficulties in UK Military Veterans:** A pilot study developed and trialled a new psychological treatment, named Restore & Rebuild (R&R), with UK veterans affected by moral injury distress resulting from events violating an individual's moral or ethical code. This innovative treatment, co-designed with leading international professionals and veterans, led to significant improvements in several areas, including addressing symptoms of depression and PTSD, as well as moral injury-related distress. R&R represents the first evidence of an effective, specific treatment for moral injury in the UK.
- **The Financial Stability of UK Military Families:** There are significant gaps in understanding how Service life shapes the financial stability of Service personnel, their partners and the wider family unit during their service and post-transition to civilian life. This report highlighted that, while the military employment offer is seen as strong and comprehensive, many military families have difficult lived experiences of it. Despite a steady income, disruptions such as frequent relocation or the lack of affordable childcare, present a challenge to many families' financial stability. This is particularly acute due to the persistent issues that many military partners face in finding suitable employment and building a career. The study also examined the finance-related support available for military families, the strengths and limitations of this support landscape, and opportunities to improve policy and

support provision. This provided an evidence base to engage MOD and charities to make improvements.

Although noted below under particular influence activities, last year's award to the new Research Centre began to demonstrate particular impact in its first full year of operation. Fully engaging with multiple stakeholders and contributors to the body of research evidence on veterans and Armed Forces community families, the Research Centre is now widely recognised as an accessible and free resource for information and is now being regularly used by Government, media and other researchers. Their website has received over 40,000 views and exists as a repository for nearly 4,000 articles of research and grey literature. Further, its impact is evidenced by its growing credibility amongst international research partners who wish to share data and knowledge.

Influence

The Trust has continued to use the 'capital' acquired from its funding of knowledge and evidence work to convene key influencers and stakeholders to consider important issues that could help shape the future environment and lived experience for the serving and ex-serving Armed Forces community.

In October, as a prequel to the launch of its new commission into contemporary transition challenges, the Trust convened a stakeholder consultation event at St Georges House, Windsor in order to explore the key concerns regarding successful transition from the perspective of policy makers and those running support services. This consultation gave the opportunity to consider the impact of environmental changes on the challenges facing the serving community and their families and the lived experience of the impact of the cost of living crisis. The consultation provided an effective foundation for our commission.

Working in partnership with stakeholders in the devolved administrations across the UK, the Trust sponsored and hosted three dissemination and influence events in Northern Ireland, Scotland and Wales to promote and encourage engagement with our report 'A Decade of the Covenant'. This report, launched in December 2022, assessed the current delivery and impact of the Armed Forces Covenant, providing a baseline from which MOD could begin to evaluate the impact of the new Statutory Duty for specified bodies to have due regard to the principles of the Covenant when exercising statutory functions across health, housing and education. These well-attended events were delivered in partnership with the MOD Covenant Team and allowed a wide range of veteran and Armed Forces Community support groups to engage with the practical considerations of Government policy alongside regional representatives charged with local implementation.

Working closely with other stakeholders supporting veterans and the wider Armed Forces Community has been an enduring and central theme for the Trust since its inception. In 2023, the Trust maintained its sponsorship of the Kings Mental Health Research Conference, bringing together academics, clinicians and public sector leaders to present new initiatives and to facilitate a forum for the open exchange of views and perspectives.

In 2022, the Trust committed to a £2.5M investment in the Forces in Mind Trust Research Centre, jointly delivered by Kings College London and RAND UK. As part of this substantial, five year award, the Research Centre team delivered the first of their annual research conferences presenting research affecting the wider Armed Forces and families community.

The Mental Health Research Programme has continued to provide input to the Contact Group Research Sub Group to share the latest research of subject matter experts in the veteran field and into the OVA's newly developing serving & ex-serving personnel Data Dashboard. The Trust's work on health has also resulted in the Trust contributing to the OVA's Health Priority Setting Process with the James Lind Alliance, which resulted in identification of, and stakeholder alignment on a 'top 10 priorities for health research'.

A fuller description of the Trust's impact, influence and engagement can be found in the 2023 Impact Report <http://www.fim-trust.org/reports/>

Beneficiaries of our services

The beneficiaries of the Trust's services are serving and former members of the United Kingdom's Armed Forces, and their families. The Trust's strategy of achieving impact means that benefit is gained not by the direct provision of welfare, relief in need or other grants, but by influencing the shaping and development of the improvements made to the policy, support and preventative work provided by the public, private and voluntary sectors.

Financial review

At the end of 2023 the Trust held total unrestricted charity funds of £13.324 million (2022: £15.377 million). In March 2023, the Board agreed to further de-risk the investment portfolios. Given the macro-economic and current market uncertainty, the increased yields for gilts presented a timely opportunity to protect the investment portfolios whilst maintaining flexibility for any future change of strategy direction. The option to invest entirely in Government bonds carried essentially no market risk and would bring returns of about 3.5% over the remaining years. Other options that could potentially give a higher return were considered but it was determined that those would carry considerable risk, and taking into account that the Trust had experienced very high returns in the first 10 years of the investments, it would be difficult to justify taking that level of risk again at this stage of the Trust's existence.

At the close of 2023, a total of £2.259 million (2022: £4.413 million) was held by Sarasin in cash/cash instruments, and £13.538 million was held in fixed income or liquid assets. This is in addition to the instant access bank account holdings, described in the subsequent section on Reserves. The total value of the portfolio managed by Sarasin reduced by £3.877 million to £15.797 million (2022: £19.675 million), with an investment income of £343.4k (2022: £299.7k). With the Trust required to have spent out by November 2031, the Directors are satisfied that the planned Grants and Commissioning Plan, incorporating costs associated with monitoring and evaluation, is currently set at an appropriate level and that the Trust's other (ie non-grant awards) costs of £1.026 million (2022: £964k) represent good value and reflect the Board's strategic intent to invest in increasing the Trust's impact.

Principal risks and uncertainties

During the course of the year, the Directors considered the major risks to which the Trust is exposed and the systems that it has to mitigate them. The Directors concluded that there are appropriate policies, procedures and systems in place to deal with the identified risks, which have been captured and are routinely managed through a comprehensive Risk Register.

The Board has assessed that the major strategic risk to the Trust is that it fails to have delivered sufficient impact at the end of its 20-year life. It is controlling that risk by focusing on effective impact, and by taking early steps to consult, identify and plan for when the current endowment is spent out.

The Board has assessed that the major legal and regulatory compliance risk to the Trust is failure to keep abreast of regulatory changes. It is controlling that risk by a combination of advice and updates from professional advisers including Cobseo and other third sector organisations, and investing in the technical knowledge of the Board and staff, who undergo regular, relevant training. An internal Conformance Review Programme continues to identify and review conformance with policies following a risk-based approach.

The Board has assessed that the major operational risk to the Trust is staff turnover and/or unexpected absence resulting in under-staffing and loss of corporate knowledge. It is mitigating that risk by appropriately enhancing the employment 'offer' and by investing in staff development and thus developing resilience and contingent capacity across the team.

Previously the Board had assessed that the major financial risk to the Trust was that equity market volatility caused encashment of medium-term investments at low values in order to maintain planned expenditure. It has controlled the risk by investing in UK Government bonds, as described later in its investment policy, by proactive engagement with the Trust's Investment manager, Sarasin, and by the membership of lay advisers on the Audit and Risk Committee with investment expertise.

The Board has assessed that the major governance risk to the Trust is not having the right skillset needed to support the Trust's strategy going forward. It is controlling that risk by regularly reviewing the Board succession plan and its matrix of skills and experience.

Over the years, the main uncertainty faced by the Trust has been the level of grant and commission awards that will be made over the remainder of the Trust's 20-year life. The Board is comfortable with the current level of spending, noting that the Trust has produced 11 years' worth of credible research that could be exploited, and upon which, well-targeted Executive team activity could still deliver much impact in coming years. The Board agreed that the Trust's activities should not be judged solely by how much money was spent but by its impact.

Investment policy

Considering the financial markets instability and the Trust's low risk appetite, the Board directed Sarasin to:

- a. Maintain up to £6m in cash instruments in separate segregated mandate
- b. Invest the remaining capital entirely in UK Government bonds which carried essentially no market risk and would bring returns of about 3.5% over the remaining years.

The Programmes and FiMT operating costs are funded both by investment income and cash withdrawal. This requires Sarasin to forecast investment income from (reducing) capital accurately and FiMT to give proper notice to Sarasin of projected cash withdrawals required in the following 12 months, as well as the expected annual expenditure until 2031.

FiMT relies solely upon its endowment to fund its activities. In order to maximise returns, it is expected that withdrawals will only be made at the maturity date of each bond. However, this presents a potential risk to FiMT if our strategy or expenditure requires the release of any capital before the bonds have matured. Therefore, a clear Trust strategy is required for accurate cashflow planning, as any changes may affect our returns. On the maturity date of each UK Government bond funds will be returned to Sarasin's short term cash portfolio, and transferred to FiMT quarterly, as agreed with the Executive.

Reserves policy and going concern

FiMT distributes grants, awards commissions and funds the central team from both income and capital. The Trust's reserves policy is to maintain a minimum of 5 months operating costs and committed grant payments in a combination of an instant access bank account and short-term funds held by the Investment Manager. Depending on the maturity dates of investments in UK Government bonds, the short-term portfolio, which is highly liquid, will currently hold no less than £1.27 million. Cashflow requirement is regularly reviewed by the FiMT Executive and quarterly by the ARC, and Sarasin informed of any significant changes, as required. For operational reasons, at least one month's forecast expenditure is maintained in an interest-earning, instant access, current account (currently Barclays Business).

The balance of the funds is held by the Investment Manager in medium-term portfolios in accordance with the Investment Policy. The Directors consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Cash held in the instant access bank account is calculated so as to meet monthly cash flow forecasts and can be replenished at 24 hours' notice from the Investment Manager's cash/cash instruments. On 31 December 2023, cash flow for January–March 2024 was forecast to be £1.174M and instant access bank account holdings were £2.017M (31 December 2022 – £740k).

The Directors do not consider that there are any sources of reasonable uncertainty at the reporting date that have a significant risk of causing a material adjustment to the amounts of assets and liabilities carried within the next reporting period. Directors are aware that there are net current liabilities, but this is principally due to timing and the fact that liabilities are recognised in full for the following 12 months. There is no corresponding income recognised. In addition, the Trust has significant resources available in fixed income asset investments which could be drawn down as required to fund working capital.

Plans for the future

In February 2023, the Trust held an in-person annual strategy review to update its vision and mission for the remaining eight years. While reaffirming its core values of independence, long-term thinking, risk-taking, and collaboration, the review also assessed Board structure and responsibilities, ensuring effective stewardship.

The Board continued to undertake strategy work throughout 2023 to strengthen the Trust's delivery of impact, which has provided the foundation for the 2024 plan and outline budget. As the Trust enters the final eight years of its existing, the Trust will see a shift to increase its work leverage the existing evidence it has funded to improve outcomes for our beneficiaries. The Trust will also consider how to undertake proactive evidence generation to tackle the unique and contemporary transition challenges of Armed Forces families, whilst retaining the flexibility to address emerging issues.

Structure, governance and management

Forces in Mind Trust is an unincorporated charity registered as a charity on 31 January 2012. The Forces in Mind Trust was established under a sole corporate trustee, FIM Trustee Limited (Trustee), on 21 November 2011 and the Trust Deed was agreed between BIG (the Founder) and Trustee on 28 November 2011. BIG is now known as the National Lottery Community Fund.

All Directors give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Notes 4 and 7 to the accounts.

The Board meets quarterly. The Protector of the Trust also attends Board meetings. In March 2023, the Board agreed to simplify its committee structure, merging the Finance and Investment Committee with the Governance Committee into a new Audit and Risk Committee (ARC), and dissolving the Programmes Committee. In December 2023, the Board approved the final version of the revised Trust's Regulations which contains the Terms of Reference for the new ARC, as well as the new Grant Award Principles, Structures and Delegations.

The Audit and Risk Committee meets quarterly to review relevant issues, and to monitor the work of, and provide advice to, the Executive Team. The ARC provides a written report to each Board meeting. The activities that used to be part of the Programmes Committee have been absorbed into the Board, and a reviewed delegated authority allows the Chief Executive to awards grants up to an agreed limit. Applications for grants outside this envelope or above the project limit, or which are novel or contentious should be seen by the Board.

The Board will continue to review the impact achieved by past and current projects and other key learnings and may provide guidance on future proposed projects over the next 12–18 months. An Independent Programmes Strategic Advisor (IPSA) was appointed to support the Board in this regard, and as a result, the Executive will execute the Board's strategy, identifying opportunities for impact in line with the Board's direction and risk appetite.

Throughout 2023, the Trust continued its Mental Health Research Programme, constituted by a Steering Group under the remunerated chairmanship of the Chief Executive of the Centre for Mental Health. The Steering Group provides expert advice to the Board and to the Executive Team, but has no grant awarding authority. One Director also sits in attendance at Steering Group meetings.

Whilst the Forces in Mind Trust Research Centre (the Centre) is an independent grantee, the Board has a nominated Research Centre Strategic Advisor (RCSA) who has relevant skills and experience to assist the Board with strategic oversight of the Centre. The Centre's Governance Board submits a formal quarterly report to the Board, and briefs the Board in person biannually. The Centre is advised by an Expert Advisory Board.

Recommendations from the formal governance review (Digi-Boards) conducted in 2022 continue to be considered and acted upon.

Equality, Diversity and Inclusion

To progress work on Equality, Diversity and Inclusion (EDI), the Board continues to reaffirm that it is the Trust's mission to identify and increase understanding of the range of needs of ex-Service personnel and their families, and to ensure that an equitable and inclusive approach is built into both our own decision-making on funding and commissioning, and into our policy influencing activity. The process and rigour applied to developing grant applications and commissions, and to generating research evidence ensures that the full breadth of diversity within the ex-Service community is already considered and reflected in much of our work.

EDI in the context of staff and Board composition was also considered in 2023, and to this end recruitment campaigns for both new Directors and staff members were open and widely advertised.

Funders Commitment to Climate Change (FCCC)

The FCCC recognises that charitable trusts and foundations, such as Forces in Mind Trust, have a crucial role to fulfil in the united effort to mitigate and adapt to the impact of climate change. Across our investments, grant making and operations, the Trust considers the opportunities to contribute to the prevention and mitigation of the climate emergency, cognisant of the potential impact due to our unique and privileged position as an influential funder working within a large network. The Trust continues to have a dedicated member of staff who is responsible for the delivery of the Trust's commitment to the pledge, and the newly appointed Chief Executive is keen to explore how this can be developed further.

Trust Staff

Since the introduction of a hybrid working policy, the Executive Team remains working both remotely and from the Trust's offices in London. Directors believe that retaining the lease within Mountbarrow House represent a cost-effective option. However, the existing arrangements are due to be reviewed in early 2024.

The Directors have delegated day-to-day running of the Trust to the Chief Executive, Michelle Alston.

Appointment of Directors

At the start of the reporting period, the Board had 13 Directors, comprising the Chair (an independent Director), 5 Directors who were nominated by Cobseo, and 7 other independent Directors who ensure a wide range of skills and knowledge. Six Directors stood down and two were recruited during this period.

In September 2023, the Board agreed to aim at a working Board size of 10 (maintaining the 2 to 1 ratio between independents and Cobseo-nominated), consistent with Charity Governance Code best practice. The Trust continues to recognise the importance of Board members with the right skillset needed to support the Trust's strategy, as well as diversity and inclusion.

The Trust recognises and embraces the benefits of having an inclusive organisation that makes good use of differences between Directors, staff and external partners. In this context, FiMT recognises such differences can include gender, race, national and ethnic origin, colour, religion, age, sexual orientation, marital and family status, and physical or mental disabilities, as well as differences in political and other beliefs. The Trust ensures that all individuals are provided with equal opportunities and seeks positively to create opportunities for those groups that may be disadvantaged.

Director induction and training

New Directors (two this year) receive induction briefings from the Board Chair and the Chief Executive. Depending upon a new Director's experience, access to legal, trust and military expert briefings are also arranged as required. The Trust meets the full costs of such attendances. Departing Directors (six in the period) conduct 'exit' interviews with the Board Chair.

Current Directors are offered attendance at a range of professional development events throughout the year, for which the Trust will pay. In particular, NCVO, ACEVO, ACF, Legal Adviser and Investment manager programmes are highlighted to Directors in the Trust's monthly Newsletter.

The Board reviews its own performance and that of individual Directors, including the Chair. All Directors conduct an annual one-to-one discussion with the Board Chair. The Deputy Chair in turn discusses the Chair's needs. In addition, Directors are encouraged to attend Committees of which they are not members, including the Mental Health Research Programme Steering Group.

External evaluation of collective Board performance was not considered necessary this year; the presence of the Protector at all Board meetings provided adequate independent review.

Related parties and relationships with other organisations

The Trust has in place robust procedures for handling conflicts of interest. In particular, Directors and staff with a conflict of interest are not present when discussions are held and funding decisions are made in relation to that interest. The Trust maintains a full register of interests, which is brought to Directors' attention at every meeting, and is also available on the Trust's website.

Army Benevolent Fund

The Chief Executive of the Army Benevolent Fund is also a Director of FIM Trustee Limited. FiMT had a lease with Army Benevolent Fund for room hire and premises services provided at Mountbarrow House until April 2024. Rent and service charges in respect of this lease for the year to 31 December 2023 were £97,724 (2022: £88,938) and pass-through cost for postal and other services was £10,524 (2022: £7,772). Rent and services remained substantially below market rate and the Army Benevolent Fund acted in the Trust's interests in its dealings with the Landlord, Grosvenor Estates.

Barclays Bank UK PLC

An employee of Barclays Bank UK PLC was also a Director of FIM Trustee Limited until December 2023. At the year end, £295 (2022: £226) was paid for banking services to Barclays Bank UK PLC and Barclaycard.

Cobseo

The Executive Chair of Cobseo is also a Director of FIM Trustee Limited. Up to 5 members of the Board of Directors of FIM Trustee Limited are nominated by Cobseo and appointed by FiMT. There was one direct transaction between FiMT and Cobseo during the period. At the year end, £180 (2022: £170) membership fee was paid on behalf of FiMT.

King's College London – King's Centre for Military Health Research

An Honorary Professor of King's Centre for Military Health Research (KCMHR), which is a part of King's College London (KCL), is also a Director of FIM Trustee Limited. During the period, FiMT awarded one research contract totalling £329,225 (2022: £881,555) to King's College London, as described under Note 5 to the Financial Statements. FiMT also agreed to extend its sponsorship of the KCMHR Mental Health Conference for 2 additional years at a total cost of £32,000. The consortium RAND Europe/Kings College London continues to run the FiMT Research Centre, awarded in 2022, until 2027.

The Poppy Factory

The former Chief Executive of the Poppy Factory is also a Director of FIM Trustee Limited. No awards were granted to The Poppy Factory during the period, but it is a former FiMT grant holder.

Remuneration policy for key management personnel

In March 2016 (formally reviewed during 2021), the Board adopted a formal remuneration policy based upon an incremental salary scale, benchmarked annually using a leading market provider (currently Croner Reward) to cover cost-of-living and market comparators. The Governance /Audit and Risk Committee recommends to the Board the appropriate award for the forthcoming tax year. In March 2023, the Board accepted the Governance Committee's recommendations, all of which met the Policy requirements.

In addition to the annual salary review, the Trust also considers other employee benefits, where it is guided by sector comparators. All staff receive death-in-service insurance, and can take advantage of a cycle-to-work scheme and season ticket loan. All employees have access to an employee assistance programme and confidential employee hotline, and an annual cycle of health screening is offered to all employees. Annual leave at 30 days (plus bank holidays) is above sector average,

and the Trust offers flexible working and 'time off in lieu'. The Board uses all these factors to encourage retention, which remains high.

Forces in Mind Trust does not undertake any fundraising activities, either directly or using an agency. As such, we do not currently subscribe to a fundraising code or regulation. We are not aware of any failures during the year ended 31 December 2023 (2022: none) by the charity of any person acting on its behalf, to comply with our fundraising standards, nor did we receive any complaints about fundraising activity.

Statement of responsibilities of the Directors

The Directors are responsible for preparing the Directors' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Directors 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 of the charity for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP (2019)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Directors 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. 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 Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors' report has been approved by the Directors on June 2024 and signed on their behalf by:

J N Macleod
Chair of the Board

M Alston
Chief Executive

Report of the Protector for the year ended 31 December 2023

Background

This is my second report in my role as the Protector of the Forces in Mind Trust ('FiMT' or the 'Trust') to which I was appointed by the National Lottery Community Fund (the 'Fund'), after an open recruitment process, in December 2021 for a 5 year term.

The Trust Deed dated 28 November 2011 which established FiMT requires the Protector to prepare a statement for publication by FiMT's corporate Trustee (FIM Trustee Limited) in its annual report, explaining the Protector's function, how the function has been exercised and, if appropriate, identifying any areas of administration which require improvement and steps to be taken by the Trustee to effect such improvement. This report covers my period in office from 1 January to 31 December 2023.

Protector's Function

The functions of the Protector are to ensure that the Trustee administers the Trust properly and to protect the Trust property.

The principal objects of the Trust are set out elsewhere in this document.

The Trust property consists of a portfolio of investments and cash representing what remains of the original settlement on the Trust by the Fund of £35 million.

If necessary, the Protector must report matters of serious concern to the Fund or to the Charity Commission. The Protector therefore has a "watch-dog" role and must monitor the Trustee and prevent it from abusing its powers or breaching its duties.

More positively, the Protector must seek to ensure, as far as possible, that the Trust is administered in accordance with the terms of the Trust Deed and give or withhold consent or approval to the exercise of certain powers by the Trustee.

How I have discharged the Protector's function

I attended all Board meetings held during the period January – December 2023, as well as a meeting of the Governance Committee (prior to its merger with the Finance and Investment Committee). I also joined the Board strategy away day which took place in February 2023 (and also that in early February 2024). In addition, I spoke with the Chair, other trustees and the Acting Chief Executive of the Trust, as required, during the period under review.

I also commented on various aspects of the governance and operation of the Trust during the period.

I was not requested to consider or approve any changes to the constitution of the Trust.

Protector's report

For the year ended 31 December 2023

Governance and Management of the Trust

I am satisfied that the Trust was administered in accordance with the terms of the Trust Deed in the period from January – December 2023.

During this period there were a number of changes of director on the board of the Trustee:

- one director who had been nominated by the Confederation of Service Charities ('Cobseo'), stepped down in February 2023 because of pressure of work elsewhere; (Cobseo has the right under the articles of association of the Trustee to nominate up to 5 directors);
- three independent directors left the board, one in May 2023 because of pressure of work elsewhere and two (in November and December 2023 respectively) at the end of their second terms; and
- two new independent directors took up their posts in December 2023, having been identified in open recruitment processes, and bringing to the Board additional expertise in policy, impact measurement, and risk management.

In February 2024, two further directors stepped down – one Cobseo appointee because of pressure of work elsewhere, and one independent (the Deputy Chair) at the end of their second term.

The Board currently comprises 9 directors, 3 of whom were nominated by Cobseo. This ratio preserves an appropriate balance between the independent and Cobseo nominated directors, whilst ensuring that the Trust benefits from the knowledge and sector expertise of those associated with Cobseo and its member charities.

The Board is a third smaller than it was this time last year (when there were 13 trustees, of whom 5 were Cobseo nominees). A smaller board is not necessarily a bad thing, but it will be important to monitor the position going forward, and also to continue to assess the skills required on the Board, including for the role of Deputy Chair. Three directors resigned because they felt unable to fulfil their role with the Trust alongside their other work commitments; the changes made during the period to the Board Committee structure and to associated executive delegation arrangements (referred to elsewhere in this document) have reduced the overall number of meetings which the Trust's directors are required to attend.

It is pleasing to report that, Covid restrictions now being well behind us, all Board meetings were held in person, with only occasional exceptional attendance online. This enables a better quality of constructive debate and challenge, as well as building better board cohesion. The Chair encourages inquiring and informed contribution during meetings, and directors engage appropriately with the issues brought to them. The Chair has also introduced opportunities at the beginning and end of each Board meeting for informal exchanges between Board members and with the Trust's Executive, and proposes to extend Board meetings for an additional hour in 2024, in order to reduce pressure on the agenda. These are positive developments.

From what I have seen, there appears to be a proper division between the strategy setting, oversight and monitoring role of the Board and the day-to-day responsibilities of the Executive Team. Board Committees report to each Board meeting.

Protector's report

For the year ended 31 December 2023

There was during the period a review of the Board Committee structure and delegation of authority and workload (especially in relation to grant-making), which led to various governance revisions, including the abolition of the Programmes Committee and the merger of the Finance and Investment Committee with the Governance Committee to form the new Audit and Risk Committee. This simplification appears to be working well and to be appropriate at this stage of the Trust's operations.

The Executive Team

As noted in the Trustee's report, for much of 2023 Tom McBarnet was Acting CEO. He is to be commended for fulfilling this role so ably, and also for ensuring the smooth transition of leadership when Michelle Alston was appointed as the Trust's new CEO in October 2023 and Tom resumed his role as the Trust's Director of Programmes. This period and these changes, which might have been very disruptive, both internally and externally, appeared to be very smoothly managed, with continuity of endeavour and support from the other members of the Executive.

Trust Research Centre

In my report last year, I commented on the selection process which saw a consortium of RAND Europe and the King's Centre for Military Health Research being selected as the preferred bidder to operate the FiMT Research Centre. This year has therefore been its first year of operation.

Given the Trust's core commitment to evidence-generation on transition issues, the Research Centre is fundamental to the Trust's work. The Board received a detailed presentation on the Centre's first year of operation in its new guise at its December meeting, and it was apparent from that, and also from the clear and accessible analyses already being produced by the Centre, that its work will be authoritative and useful for furthering the Trust's purposes.

Strategy Review

At its strategy day in February 2023 the Board began a review of its own effectiveness; of the Trust's vision and mission for its remaining 8 years; and of its strategy for the next 2–3 years. This was timely, given the changes in Board and Executive leadership and given where the Trust was in its anticipated lifecycle.

During the year the Board has continued this work, including commissioning external research; this confirmed the Trust's achievement in generating high-quality, independent, and influential knowledge and evidence; its impact in shaping the transition landscape; and its significance in enabling and convening collaboration in this area.

The Board is further reviewing and refining its plans for the remaining period of its designated term, including in constructive discussion at a strategy day in February 2024, which indicated some clear objectives for the new CEO to take forward (for review, confirmation and reporting at future Board meetings).

Forces in Mind Trust

Protector's report

For the year ended 31 December 2023

The commitment of the Chair, the rest of the Board and the Executive Team to ensuring the Trust's future effectiveness and to creating a fitting legacy for the Trust is clear. I look forward to continuing to work with the Trust through 2024.

Alison Paines

Protector – Forces in Mind Trust (January – December 2023)

June 2024

Independent auditor's report

To the trustees of

Forces in Mind Trust

Opinion

We have audited the financial statements of Forces In Mind Trust (the 'charity') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including 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 charity's affairs as at 31 December 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 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

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

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

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

Other information

The other information comprises the information included in the trustee's annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report

To the trustees of

Forces in Mind Trust

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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 trustee's report; or
- the charity has not kept adequate and proper 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 the Trustee

As explained more fully in the trustee's responsibilities statement, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material

Independent auditor's report

To the trustees of

Forces in Mind Trust

misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Charity and the sector in which it operates and considered the risk of the Charity not complying with the relevant laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting, and tax legislation. In relation to the operations of the Charity this included compliance with the Charities Act 2011 and SORP 2019.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified.

These included the following:

- Review of legal fees incurred;
- Reviewing minutes of Director Board meetings;
- Agreeing the financial statement disclosures to underlying supporting documentation;
- Enquiring of management, including those charged with governance;
- Reviewing key accounting policies and estimates

To address the risk of management override of controls, we reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Independent auditor's report

To the trustees of

Forces in Mind Trust

Use of our report

This report is made solely to the charity's trustee, 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 trustee 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 charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Cooper-Davis FCCA ACA

(Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

24 Old Bond Street

London

W1S 4AP

Date

Forces in Mind Trust

Statement of financial activities

For the year ended 31 December 2023

	Note	Endowment £	Unrestricted £	2023 Total £	2022 Total £
Income from:					
Investments	3	343,396	–	343,396	299,694
Total income		343,396	–	343,396	299,694
Expenditure on:					
Raising funds		–	134,120	134,120	122,510
Charitable activities					
Knowledge and Evidence		–	1,924,402	1,924,402	5,115,336
Collaboration and Leadership		–	(6,760)	(6,760)	(26,031)
Influence and Convening		–	131,684	131,684	100,841
Capacity Building		–	500,151	500,151	99,864
Total expenditure	4	–	2,683,597	2,683,597	5,412,520
Net income / (expenditure) before net gains on investments		343,396	(2,683,597)	(2,340,202)	(5,112,826)
Net loss/(gain) on investments	12	287,744	–	287,744	(2,607,896)
Net income / (expenditure)	6	631,140	(2,683,597)	(2,052,458)	(7,720,722)
Transfers between funds	17	(2,683,597)	2,683,597	–	–
Net movement in funds		(2,052,458)	–	(2,052,458)	(7,720,722)
Reconciliation of funds:					
Total funds brought forward		15,376,789	–	15,376,789	23,097,511
Total funds carried forward	17	13,324,331	–	13,324,331	15,376,789

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

Forces in Mind Trust

Balance sheet

As at December 2023

	Note	£	2023 £	2022 £
Fixed assets:				
Tangible assets	11		–	–
Investments	12		15,797,216	19,674,702
			15,797,216	19,674,702
Current assets:				
Debtors	13	26,450	21,837	
Cash at bank and in hand		2,017,385	740,424	
		2,043,835	762,261	
Liabilities:				
Creditors: amounts falling due within one year	14	(2,453,040)	(2,480,593)	
Net current liabilities			(409,205)	(1,718,332)
Total assets less current liabilities			15,388,011	17,956,370
Creditors: amounts falling due after one year	15		(2,063,680)	(2,579,581)
Total net assets	16		13,324,331	15,376,789
The funds of the charity:				
Endowment funds			13,324,331	15,376,789
Unrestricted general funds			–	–
Total charity funds	17		13,324,331	15,376,789

Approved by the trustee on June 2024 and signed on their behalf by

J M Macleod
Chairman of the Board

M Alston
Chief Executive

Forces in Mind Trust

Statement of cash flows

For the year ended 31 December 2023

	Note	2023 £	£	2022 £	£
Net expenditure for the reporting period (as per the statement of financial activities)		(2,052,458)		(7,720,722)	
Dividends, interest and rent from investments	3	(343,396)		(299,694)	
(Gains)/losses on investments		(287,744)		2,607,896	
(Increase) in debtors		(4,613)		(42)	
(Decrease)/increase in creditors		(543,454)		1,167,677	
Net cash (used in) operating activities			(3,231,664)		(4,244,885)
Cash flows from investing activities:					
Dividends and interest from investments		343,396		299,694	
Depreciation of fixed assets		-		-	
Proceeds from sale of investments		4,165,230		4,766,825	
Purchase of investments		-		(4,351,763)	
Cash movement within investment portfolio				3,334,807	
Net cash provided by investing activities			4,508,626		4,049,563
Change in cash and cash equivalents in the year			1,276,961		(195,322)
Cash and cash equivalents at the beginning of the year			740,424		935,746
Cash and cash equivalents at the end of the year			2,017,385		740,424

1 Accounting policies

a) Statutory information

Forces in Mind Trust is an unincorporated charity, registered with the Charity Commission in England and Wales.

The registered office address is Mountbarrow House, 6–20 Elizabeth Street, London, SW1W 9RB.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a ‘true and fair’ view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a ‘true and fair view’. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn. The financial statements are prepared in pounds sterling and are rounded to the nearest pound.

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

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

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Key judgements that the charity has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

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

Income from government and other grants, whether ‘capital’ grants or ‘revenue’ grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

f) Interest and dividends receivable

Interest on funds held on deposit and dividends are included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2023

1 Accounting policies (continued)

g) Fund accounting

The expendable endowment fund provided by the Big Lottery Fund will be used over a 20 year period to support the charitable activities of the Trust. In accordance with the Trust Deed, the whole of the Trust Fund and Income will have been applied in furtherance of the charitable objectives by 28 November 2031. Transfers are made from the endowment fund to cover expenditure incurred during the year by the Trust

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

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 relate to investment manager fees
- Expenditure on charitable activities includes the costs of grant making undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

● Knowledge and Evidence	49.0%
● Collaboration and Leadership	1.0%
● Influence and Convening	3.0%
● Capacity Building	12.0%
● Cost of raising funds	10.0%
● Governance costs	25.0%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with the constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1 Accounting policies (continued)

j) Grants payable

Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Multi-year grants are fully accounted for in the year the grant is approved. Payments falling due in later years are provided for as a liability on the balance sheet. This reflects the Trust's experience that only in exceptional circumstance are approved grants subsequently not paid.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £5,000, including VAT. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. Software is assumed to have a useful economic life of five years and depreciated on that basis on a straight line basis. Assets not yet in use but which are expected to be utilised in future are held at cost until they are brought into use.

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

1 Accounting policies (continued)

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

Creditors and provisions are recognised where 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The charity only has financial assets and financial 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

The charity makes payments to defined contribution pension schemes on behalf of employees. The assets of the schemes are held separately from those of the charitable company in independently administered funds. The pension cost charge represents contributions payable to the funds during the year. The charity has no liability under the schemes other than the payment of those contributions.

2 Detailed comparatives for the statements of financial activities

	Endowment £	Unrestricted £	2022 £
Income from:			
Investments	299,694	–	299,694
Total income	299,694	–	299,694
Expenditure on:			
Raising funds	–	122,510	122,510
Charitable activities	–	5,290,010	5,290,010
Total expenditure	–	5,412,520	5,412,520
Net income / expenditure before gains on investments	299,694	(5,412,520)	(5,112,826)
Net gains on investments	(2,607,896)	–	(2,607,896)
Net income / expenditure	(2,308,202)	(5,412,520)	(7,720,722)
Transfers between funds	(5,412,520)	5,412,520	–
Net movement in funds	(7,720,722)	–	(7,720,722)
Total funds brought forward	23,097,511	–	23,097,511
Total funds carried forward	15,376,789	–	15,376,789

3 Income from investments

	2023 Total £	2022 Total £
Income from investments	330,234	299,353
Bank interest	13,162	341
	343,396	299,694

All income from investments is allocated to endowment funds.

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2023

4a Analysis of expenditure

	Charitable activities								
	Cost of raising funds £	Knowledge and Evidence £	Collaboration and Leadership £	Influence and Convening £	Capacity Building £	Governance costs £	Support costs £	2023 £	2022 Total £
Staff costs (Note 7)	46,866	275,632	(968)	18,861	71,637	138,645	100,241	650,914	667,362
Recruitment costs							24,732	24,732	26,713
Travel and subsistence		17,892	(63)	1,224	4,650			23,703	18,295
Grants payable (Note 5)		1,250,486	(4,393)	85,569	325,000			1,656,662	4,433,235
Investment manager's fees	31,743							31,743	18,539
Advisors' fees and expenses						15,000		15,000	15,600
Auditors' remuneration						11,030		11,030	10,010
Premises costs							93,779	93,779	88,938
Legal and professional fees		103,610	(364)	7,090	26,928			137,264	96,694
Marketing and communications						2,070		2,070	3,348
Directors' expenses						5,234	554	5,788	2,236
Office costs							30,911	30,911	31,550
	78,609	1,647,620	(5,788)	112,744	428,215	171,979	250,217	2,683,597	5,412,520
Support costs	25,022	122,765	(431)	8,401	31,907	62,554	(250,217)	-	-
Governance costs	30,489	154,017	(541)	10,539	40,029	(234,533)	-	-	-
Total expenditure 2023	134,120	1,924,402	(6,760)	131,684	500,151	-	-	2,683,597	5,412,520
Total Expenditure 2022	122,510	5,115,336	(26,031)	100,841	99,864	-	-	-	5,412,520

The negative balances showing for collaboration and leadership have arisen as a result of funds awarded in previous years having been returned to us in the year to 31 December 2023.

4b Analysis of expenditure (prior year)

	Charitable activities								
	Cost of raising funds £	Knowledge and Evidence £	Collaboration and Leadership £	Influence and Convening £	Capacity Building £	Governance costs £	Support costs £	2022 Total £	2021 Total £
Staff costs (Note 7)	48,050	362,027	(1,842)	7,137	7,068	142,148	102,774	667,362	663,884
Recruitment costs							26,713	26,713	10,299
Travel and subsistence		15,719	(80)	310	307	2,039		18,295	16,905
Grants payable (Note 5)		4,286,852	(21,815)	84,508	83,690			4,433,235	1,805,818
Investment manager's fees	18,539							18,539	31,720
Advisors' fees and expenses						15,600		15,600	15,000
Auditors' remuneration						10,010		10,010	8,760
Premises costs							88,938	88,938	77,722
Legal and professional fees		93,501	(476)	1,844	1,825			96,694	68,949
Marketing and communications						3,348		3,348	-
Directors' expenses						2,188	48	2,236	772
Office costs							31,550	31,550	47,686
	66,589	4,758,099	(24,213)	93,799	92,890	175,333	250,023	5,412,520	2,747,515
Support costs	25,002	157,149	(800)	3,098	3,068	62,506	(250,023)	-	-
Governance costs	30,919	200,088	(1,018)	3,944	3,906	(237,839)	-	-	-
Total expenditure 2022	122,510	5,115,336	(26,031)	100,841	99,864	-	-	5,412,520	
Total expenditure 2021	133,276	1,647,636	403,008	397,186	166,409	-	-	-	2,747,515

The negative balances showing for collaboration and leadership have arisen as a result of funds awarded in previous years having been returned to us in the year to 31 December 2022.

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2023

5 Grant making

	2023 £	2022 £
Creditors at the start of the year	4,994,350	3,850,361
Grants awarded in the year (Note 4 and detailed below)	1,571,093	4,348,727
Costs related to monitoring and evaluation of grants awarded	85,569	84,508
Grants paid	(2,210,708)	(3,289,246)
Total creditors at the end of the year	4,440,304	4,994,350
Creditors due within one year (Note 14)	2,376,624	2,414,769
Creditors due in over one year (Note 15)	2,063,680	2,579,581
Total creditors at the end of the year	4,440,304	4,994,350

	2023 £	2022 £
Grants awarded in the year:		
No Homeless Veterans. Stoll on behalf of the Cobseo Housing Cluster		1,404
Armed Forces Charities Expanding Knowledge and Evidence, 2021–2023. Directory of Social Change		149,900
Ex-Service personnel in the Criminal Justice System in England, Wales and Scotland. Nacro in partnership with the Institute of Public Safety, Crime and Justice (IPSCJ) and the Institute for Social Innovation and Impact (ISII) at the University of Northampton		56,338
Our Community, Our Covenant 3: Examining the impact of the Armed Forces Covenant. Shared Intelligence in partnership with RAND Europe and Meri Mayhew		4,398
Non-UK Personnel, Veterans and Families. Anglia Ruskin University. Additional Award		38,368
Sub-total carried forward	-	250,408

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2023

5 Grant making (continued)

Grants awarded in the year:	Charitable Activity	2023 £	2022 £
Sub-total brought forward		–	250,408
Understanding the psychosocial determinants of psychological health and wellbeing for veteran families in the UK. Queen's University Belfast.	Knowledge and Evidence		28,761
A Roadmap to ensure achievement of No Homeless Veterans. The Riverside Group Limited on behalf of the Cobseo Housing Cluster	Influence and Convening		46,947
A Comparative Study: Common Mental Health Disorders in the Veteran & Non-Veteran Populations. Chester Uni*	Knowledge and Evidence		110,987
Examining and mapping the support needs of female veterans in the UK. King's College London	Knowledge and Evidence		220,066
Exploring Suicidality in Northern Ireland's Veterans. Queen's University Belfast*	Knowledge and Evidence		130,659
Exploring veterans physical and mental health needs: the use of the Clinical Practice Research Datalink, King's College London	Knowledge and Evidence		164,050
FiMT Research Centre	Knowledge and Evidence		2,500,000
Improving life skills in the UK Armed Forces. QinetiQ	Knowledge and Evidence		174,127
Influences on alcohol consumption among partners of UK military personnel/veterans, King's College London*	Knowledge and Evidence		96,755
Mental health and wellbeing of UK Gurkha veterans. King's College London *	Knowledge and Evidence		152,058
Phase 2 Feasibility Pilot RCT for Restore & Rebuild (R&R): A Psychological Treatment for Moral Injury. King's*	Knowledge and Evidence		261,941
Pride in Veterans Standard (PiVS) – Early Intervention for LGBT+ Veterans. Fighting with Pride	Capacity Building		83,690
SCiP Alliance Funders' Forum – Support for service children a proposed scoping report. Directory of Social Change	Knowledge and Evidence		49,762
The Experiences and Support Needs of Veterans Living with Dementia in their Own Homes. University of Manchester	Knowledge and Evidence		102,561
Understanding The Patterns Of Serious Offending Among ex-Service Personnel. Probation Institute. Additional Award.	Knowledge and Evidence		2,116
University of Sunderland	Collaboration and Leadership		(2,941)
Clore Social Leadership	Collaboration and Leadership		(23,645)
The MONARCH Study (formally known as Map of Need), Northumbria University	Capacity Building	325,000	
Treating co-occurring alcohol use & common mental disorders, Lancaster University	Knowledge and Evidence	148,386	
Efficacy & mechanisms evaluation of novel therapy vs waiting list control for PTSD in UK military veterans, King's College London	Knowledge and Evidence	329,225	
Our Community, Our Covenant 4, RAND Europe	Knowledge and Evidence	499,701	
Transition Mapping Study 3, QinetiQ	Knowledge and Evidence	406,799	
Veterans entering the criminal justice system, King's College London	Knowledge and Evidence	(2,989)	
Windsor Leadership Trust	Knowledge and Evidence	(4,395)	
The Poppy Factory IPS Pilot for Wounded, Injured and Sick Veterans, The Poppy Factory	Knowledge and Evidence	(15,543)	
Pioneer Programme – MDMA-Assisted Psychotherapy Research for treatment-resistant PTSD, Supporting Wounded Veterans and King's College London	Capacity Building	(81,250)	
Edinburgh Napier underspend	Knowledge and Evidence	(3,352)	
Northumbria University underspend	Knowledge and Evidence	(20,493)	
Examining prevalence and understanding of social isolation and loneliness of war widows, Northumbria University	Knowledge and Evidence	(9,997)	
Sub-total – grant awards		1,571,093	4,348,302
Other costs related to grants awarded		85,569	84,933
Total costs of grant making		1,656,662	4,433,235

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2023

6 Net income/(expenditure) for the year

	2023 £	2022 £
This is stated after charging / crediting:		
Auditor's remuneration (excluding VAT):		
▪ Audit	9,850	9,250
Advisor's fees and expenses (Protector)	15,000	15,600
Operating lease rentals		
▪ Property	13,070	13,070
	<u>13,070</u>	<u>13,070</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2023 £	2022 £
Staff costs were as follows:		
Salaries and wages	557,017	565,626
Social security costs	55,369	58,369
Employer's contribution to defined contribution pension schemes	32,769	37,261
Death in Service benefit	3,359	2,696
Other Staff costs	2,400	3,410
	<u>650,914</u>	<u>667,362</u>

There were four employees whose costs excluding contributions exceeded £60,000 during the year, these are summarised as follows:

	2023 No.	2022 No.
In the band £60,000 – £70,000	3	–
In the band £110,000 – £120,000	1	1

The charity considers its key management personnel to comprise of two persons. The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £123,809 (2022: £140,832).

The charity directors were not paid or received any other benefits from employment with the charity in the year (2022: £nil). No charity director received payment for professional or other services supplied to the charity (2021: £nil).

Directors' expenses represents the payment or reimbursement of travel and subsistence costs totalling £5,788 (2022: £2,236) incurred by 6 (2022: 3) members relating to attendance at meetings of the directors.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2023 No.	2022 No.
Raising funds – investment management	0.9	0.9
Governance	2.6	2.5
Knowledge and Evidence	4.8	6.3
Collaboration and Leadership	–	–
Influence and Convening	0.3	0.1
Capacity Building	1.3	–
	<u>9.9</u>	<u>9.8</u>

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2023

9 Related party transactions

The value of the related party transactions is £433.9k (2022: £3,679.6k). Full details of this figure is given on pages 18–19 of the Directors' Annual Report.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Software £	Total £
Cost		
At the start of the year	14,400	14,400
Disposals in year	(14,400)	(14,400)
At the end of the year	–	–
Depreciation		
At the start of the year	14,400	14,400
Eliminated on disposal	(14,400)	(14,400)
At the end of the year	–	–
Net book value		
At the end of the year	–	–
At the start of the year	–	–

The above asset relates to a CRM system that was purchased in 2014. This was brought into use in July 2016 and was depreciated over 5 years and was disposed of during 2023. It was used solely for charitable purposes.

12 Listed investments

	2023 £	2022 £
Fair value at the start of the year	19,674,702	20,006,030
Additions at cost	–	4,351,763
Disposal proceeds	(4,165,230)	(4,766,825)
Net loss/(gain) on change in fair value	287,744	(2,607,896)
	15,797,216	16,983,072
Cash held by investment broker pending reinvestment	–	2,691,630
Fair value at the end of the year	15,797,216	19,674,702
 Investments comprise:	 2023 £	 2022 £
Fixed Interest Bonds	13,538,055	3,539,017
Equities	–	9,302,889
Property Funds & Trusts	–	921,273
Alternative Assets	–	1,497,852
Liquid Funds	2,259,161	4,413,671
	15,797,216	19,674,702

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2023

13 Debtors

	2023 £	2022 £
Prepayments	26,450	21,837
	26,450	21,837

With the exception of listed investments, all of the charity's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 14 and 15 below.

14 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	29,982	20,940
Taxation and social security	20,289	15,801
Accruals	20,600	24,000
Grants payable (Note 5)	2,376,624	2,414,769
Other creditors	5,545	5,083
	2,453,040	2,480,593

15 Creditors: amounts falling due after one year

	2023 £	2022 £
Grants payable (Note 5)	2,063,680	2,579,581
Grants are paid in line with agreed timetables and are payable:		
In less than one year	2,376,624	2,414,769
Between one and five years	2,063,680	2,579,581
	4,440,304	4,994,350

16a Analysis of net assets between funds (current year)

	Endowment funds £	General funds £	Total funds £
Tangible fixed assets	–	–	–
Investments	15,797,216	–	15,797,216
Net current liabilities	(409,205)	–	(409,205)
Long term liabilities	(2,063,680)	–	(2,063,680)
Net assets at the end of the year	13,324,331	–	13,324,331

16b Analysis of net assets between funds (prior year)

	Endowment funds £	General funds £	Total funds £
Tangible fixed assets	–	–	–
Investments	19,674,702	–	19,674,702
Net current liabilities	(1,718,332)	–	(1,718,332)
Long term liabilities	(2,579,581)	–	(2,579,581)
Net assets at the end of the year	15,376,789	–	15,376,789

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2023

17a Movements in funds (current year)

	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2023 £
Endowment funds	15,376,789	631,140	–	(2,683,597)	13,324,331
Total endowment funds	15,376,789	631,140	–	(2,683,597)	13,324,331
Unrestricted funds:					
General funds	–	–	(2,683,597)	2,683,597	–
Total unrestricted funds	–	–	(2,683,597)	2,683,597	–
Total funds	15,376,789	631,140	(2,683,597)	–	13,324,331

17b Movements in funds (prior year)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
Endowment funds	23,097,511	(2,308,202)	–	(5,412,520)	15,376,789
Total endowment funds	23,097,511	(2,308,202)	–	(5,412,520)	15,376,789
Unrestricted funds:					
General funds	–	–	(5,412,520)	5,412,520	–
Total unrestricted funds	–	–	(5,412,520)	5,412,520	–
Total funds	23,097,511	(2,308,202)	(5,412,520)	–	15,376,789

Purposes of endowment funds

The expendable endowment fund provided by the Big Lottery Fund will be used over a 20 year period to support the charitable activities of the Trust. In accordance with the Trust Deed, the whole of the Trust Fund and Income will have been applied in furtherance of the charitable objects by 28 November 2031.

18 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2023 £	2022 £
Less than one year	13,070	13,070
	13,070	13,070

19 Corporate Trustee

Forces in Mind Trust is managed by a sole corporate trustee which is FIM Trustee Limited, registered company no. 07855145. Forces in Mind Trust is used to disburse funds for charitable purposes or activities. All activities take place within the Trust and are directed by the Trustee, FIM Trustee Limited.

FORCES IN MIND TRUST

England & Wales - Charity number 1145688

Accounts

Charity number: 1145688

Forces in Mind Trust

Report and financial statements

For the year ended 31 December 2022

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Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2022

Charity number	1145688	
Registered office	Alexandra House St Johns Street Salisbury SP1 2SB	
Operational address	Mountbarrow House 6-20 Elizabeth Street London SW1W 9RB	
Country of registration	England and Wales	
Trustee	FIM Trustee Ltd	
Principal staff	Mike Ellicock Tom McBarnet Caroline Cooke Rodrigo Voss Clare Crookenden	Chief Executive (until June 2021) Chief Executive (from June 2021) Head of Policy Head of Operations & Governance Grants & Programmes Manager
Bankers	Barclays Bank UK PLC 1st Floor 27 Soho Square London W1D 3QR	
Solicitors	Wilsons Solicitors LLP Alexandra House St Johns Street Salisbury SP1 2SB	

Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2022

Auditor	Price Bailey LLP Chartered Accountants Statutory Auditors 24 Old Bond Street London W1S 4AP
Investment Manager	Sarasin and Partners Juxon House 100 St. Paul's Churchyard London EC4M 8BU

The Forces in Mind Trust has a single corporate Trustee, FIM Trustee Limited.

The Directors of FIM Trustee Limited during the period 1 January 2022 to 13 June 2023 were:

Chair	H J R Pung	Chair of the Board (resigned 14 December 2022)
Chair	J Macleod CB CVO	Chair of the Board (from 14 December 2022)
Director	K Alpin	Member of the Programmes Committee
Director	A Bell	Member of the Board (resigned 14 September 2022)
Director	R S Campbell FCA	Chair of the Finance and Investment Committee (resigned 14 December 2022)
Director	AVM Retd C Elliot CB CBE DL	Member of the Finance and Investment Committee (resigned 8 February 2023)
Director	R P Harries	Chair of the Programmes Committee
Director	R Hornsby-Clifton	Chair of the Finance and Investment Committee (from 14 December 2022)
Director	Maj Gen Retd T D Hyams CB OBE	Member of the Programmes Committee (from 14 September 2022)
Director	K McCullough	Member of the Programmes Committee
Director	D Mills	Member of the Programmes Committee
Director	Professor D Murphy	Member of the Programmes Committee

Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2022

Director	Lt Gen Retd Sir N Pope KCB CBE	Member of the Governance Committee
Director	A S D Reding	Member of the Finance and Investment Committee
Director and Deputy Chair	N J Roberts	Member of the Governance Committee and Deputy Chair of Board
Director	A C Ward	Chair of the Governance Committee

The Trust's past Patron was the late Admiral of the Fleet Lord Boyce KG GCB OBE DL.

The Trust's Honorary President is Air Vice-Marshal Retd A J Stables CBE.

Chair's Foreword

Last year my predecessor reflected on a decade since the formation of the Trust and both the considerable changes to the environment and circumstances in which it operates. He also highlighted the notable achievements the Trust has made in pursuit of supporting successful and sustainable transition for the Armed Forces Community and their families out of Service life and into fulfilled civilian lives. Even in my short time leading the Trust, the complexity and challenges of the contemporary environment on those operating in the public and charity sectors in support of the Armed Forces Community are starkly evident. Demands for resources and support can outstrip capacity, limiting the ability of statutory providers to proactively recognise unique cohorts in their planning and potentially imparting more pressure on the third sector to bridge gaps. Whilst the majority of those leaving the Service manage transition well and go on to lead fulfilled and impactful lives, taking into their civilian worlds those characteristics that make the UK Service woman and man so respected worldwide, some find the transition more difficult and struggle. For those who may find departing from the Services more difficult, their needs can be complex and ensuring they do not fall between the cracks remains a challenge.

With such a well-established and to some eyes, large, military charity sector, the UK is arguably well-placed to extend support and benevolence to those most in need. Further, with the progress made over the last decade in recognising veterans and their needs in public service provision, and through the increasing influence of the Office for Veteran Affairs, there are fewer quarters where potential vulnerability arising from previous military service is not at least understood. Nevertheless, there remains substantial evidence of systemic problems that continue to be resolved through addressing symptoms as they present, rather than identifying and reducing systematic causes.

This need highlights the importance of the Trust continuing to leverage its independence in order to:

- Spotlight through commissioning and supporting the generation of empirical evidence and arguments that can highlight any policy shortfalls or new opportunities in service provision
- Continue to assist in bringing about a more joined-up and coordinated approach to supporting Service personnel and their families in transition
- Work to create a resource for the entire sector to help keep evidence based decision making at the heart of the formulation and delivery of policy.

I therefore see the Trust's role as a catalyser and collaborator in driving change, a cohering force for ideas, and as an independent and respected, evidentially based voice within the sector as important as ever.

Looking at the last year in more detail, 2022 was another significant year in the Trust's life. Following our successful earlier investment in the first Centre back in 2017, we launched the new partnership with King's College London and RAND, the next iteration of the Forces in Mind Trust

Research Centre. This highly accessible, free, authoritative, and comprehensive resource promises to be a real asset in understanding the Armed Forces Community and families, supporting Government resource planning, wider research and both media and public enquiry.

Further, we published new reports into the factors contributing to 'negative transition' of UK service personnel, the lived experience of returning to civilian life with physical injuries acquired in Service, health trends in the Scottish veteran's community and their impact, new initiatives to identify and track the ex-Service person in the healthcare system and the progress of delivery on pledges after a decade of the Armed Forces Covenant. These are all examples of the span of the Trust's work with each report making informed and targeted recommendations for the betterment of policy and service provision. As the Trust moves forward, we will continue to track the impact of our reports and ensure that our recommendations are seen by those helping to shape and transform the landscape for our ex-Service community.

2022 also saw the departure of Mike Ellicock after a relatively short 'tour' as the Trust's Chief Executive and the appointment of Tom McBarnet, the Trust's Deputy Chief Executive and Director of Programmes, in the role in an interim capacity. Tom has a wealth of knowledge and connections within the military charity sector, the public and private sector, and in government, and I am pleased to observe that both a change of CE and my arrival as the new Chair in December 2022 had little impact upon the running of our grant-making activity nor on the focus of Trust work. 2022 also saw the departure of Ross Campbell and Adrian Bell as long-standing directors who made significant contributions to the Trust's achievements over many years. Nevertheless I have been delighted to be able to welcome Tim Hyams and Russell Hornsby-Clifton as new directors, both of whom I look forward to working with. We have also said farewell to Nicholas Lambert as one of our lay advisors who has also been generous of both his time and energy in supporting the Trust's Finance and Investment Committee and his interest in our mission.

I must also note with sadness, that 2022 saw the sad passing of our Patron, Admiral of the Fleet, The Lord Boyce KG GCB OBE DL. Lord Boyce had been patron since the Trust's founding and his passion for supporting veterans through the challenges of leaving Service was at the core of our mission. His insight and enthusiastic engagement with the Trust at Board and staff level was valued, always welcomed, and will be sorely missed.

So, although I have had only a short time as Chair, I have now experienced first-hand what I believed when I applied for the role. The Trust provides an invaluable role in this sector, a role that no other can, and whilst the landscape has changed significantly since the Trust was set up in 2011, the need for what the Trust brings has not. Our independence in approach, our ability to commission and support the generation of research which can transform policy generation and service delivery, and our ability to support others within the sector who can leverage the work that the Trust has generated, is as important now as it was in 2011. Of course, as a Trust, we must stay agile, and ensure we deliver the maximum impact from our activity and I see myself and my fellow directors as pivotal in ensuring that Forces in Mind Trust continues to be a force for good, that it

leaves a lasting positive legacy and it continues to deliver on its purpose of enabling all ex-Service personnel and their families to make a successful and sustainable transition to civilian life.

As I close, I would like to thank the directors and the talented and professional staff at the Trust for all the work they have done to make Forces in Mind as influential and effective as it is, and for making my succession as Chair as seamless as possible. I would also like to recognise my predecessor Hans Pung for a thorough and generous handover, and for the tireless work he has done over the last 6 years as Chair. Work that has had so much positive impact for Service personnel and veterans and their families; the majority of whom will never know Hans or how he has personally contributed to the success of their transition. On mine, and their behalf, thank you Hans.

Finally, I look forward with excitement to my tenure as Chair of Forces in Mind Trust, confident that that the organisation is well placed to continue to adapt to new challenges and build upon an already impressive legacy.

Jim Macleod CB CVO
Chair, Forces in Mind Trust
31 January 2023

Introduction

The Directors of the Trustee (FIM Trustee Limited) present their Report, together with the audited financial statements of Forces in Mind Trust for the year ended 31 December 2022.

Reference and administrative information set out on pages 1 to 3 forms part of this report. The financial statements comply with current statutory requirements, the charity's trust deed and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP (2019) applicable to charities preparing their accounts in accordance with FRS 102.

The Directors would like to express their gratitude for the continued support and engagement of the Trust's Protector, Alison Paines, whose report is included below.

Comment on Protector's Report

The current Protector was appointed in December 2021 by the National Lottery Community Fund; her role and responsibilities are fully described in her Report. The Directors welcome, and are encouraged by, the comments contained in the Protector's Report. The Protector's attendance at Board and a selection of Committee meetings contributes positively to the Trust's development, and the Board is grateful to her considered advice.

Objectives and activities

Purposes and aims

Forces in Mind Trust (FiMT, or the Trust) is a registered charity (Charity number: 1145688) which has as its charitable aims:

The prevention and relief of poverty, the protection of mental and physical health and the relief of sickness and need amongst serving and former serving members of the Armed Forces by means of the provision of mentoring, services, facilities and equipment to support their treatment, rehabilitation, resettlement, education, training and employment and thereby support their transition to civilian life;

and

The protection of the mental and physical health, and the relief of poverty of the families and dependants of serving and former serving members of the Armed Forces in all cases for the benefit of the public.

The Directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities and are confident that the Trust's activities meet the Charity Commission's

requirements with regard to public benefit. In particular, the Directors considered how the planned activities will contribute to the aims and objectives that have been set. In its tenth year of full operation (and eleventh overall), FiMT has taken significant steps towards delivering the impact its Founder intended by continuing work using the strong foundations that were laid in the first half of its planned life.

The conceptually well-targeted grant-giving programme, supported by strategic influence activities, has remained at the core of the Trust's activities, with an increasing emphasis on commissioning and co-creation versus responsive funding. In 2022, the Trust continued work on its programmatic approach that is characterized by greater coherence of funding, more proactive and impactful projects, and a more innovative use of the full range of **Change Mechanisms** focused on priority **Programmes**.

The Directors review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period.

In June 2022 the then Chief Executive, Mike Ellicock, resigned to pursue new professional challenges, and the Board was delighted that Tom McBarnet accepted the offer to become the Acting Chief Executive of the Trust from 20th June. Tom is extremely well placed to play this role, given his strong expertise and experience in leading FiMT's programmatic activities as well as his deep knowledge and networks across the Armed Forces Charity sector and FiMT's wider stakeholder base. The Board anticipates that Tom will remain in the Acting Chief Executive role until the point when they are able to make a permanent appointment. In the meantime the role of the Grants Manager (now Grants and Programmes Manager) was extended as a permanent adjustment in order to cover some of the responsibilities of the Director of Programmes, a role that has remained vacant since June.

Achievements and performance

The Trust's main activities in the course of the year are described below. All charitable activities ultimately focus on ex-Service personnel and their families and are undertaken to further our charitable purposes for the public benefit.

Grants and Commissioning Plan

During the period, 20 grant awards were made (previous period 14), listed below. Other costs related to grants awarded totalling £84,933 (2021: £145,304) are also shown. Of these 20 awards, 18 (7) were for Knowledge and evidence, 1 (4) was for Influence and convening, and 1 (2) was for Capacity building, although in practice there is significant overlap between these categories.

Full details of amounts and types of grants can be found at Note 5 to the financial statements and on the Trust's website (section 'who we have helped' <http://www.fim-trust.org/who-we-have-helped/>). Grants made in 2022 were:

- Improving life skills in the UK Armed Forces. QinetiQ
- The Experiences and Support Needs of Veterans Living with Dementia in their Own Homes. University of Manchester
- Examining and mapping the support needs of female veterans in the UK. King's College London
- Understanding The Patterns of Serious Offending Among ex-Service Personnel. Probation Institute. Additional Award.
- Non-UK Personnel, Veterans and Families. Anglia Ruskin University. Additional Award
- Influences on alcohol consumption among partners of UK military personnel/veterans. King's College London*
- FiMT Research Centre
- Our Community, Our Covenant. Examining the impact of the Armed Forces Covenant. Shared Intelligence. Additional Award
- No Homeless Veterans. Stoll on behalf of the Cobseo Housing Cluster. Additional Award
- Exploring veterans physical and mental health needs: the use of the Clinical Practice Research Datalink. King's College London
- Armed Forces Families and Children's Social Care. RAND Europe
- SCiP Alliance Funders' Forum – Support for service children – a proposed scoping report. Directory of Social Change
- Understanding the psychosocial determinants of psychological health and wellbeing for veteran families in the UK. Queen's University Belfast. Additional Award
- Ex-Service personnel in the Criminal Justice System in England, Wales and Scotland. Nacro. Additional Award
- Roadmap to End Veterans Homelessness. Riverside. Additional Award
- A Comparative Study: Common Mental Health Disorders in the Veteran & Non-Veteran Populations. Chester University *
- Mental health and wellbeing of UK Gurkha veterans. King's College London *
- Pride in Veterans Standard (PiVS) – Early Intervention for LGBT+ Veterans. Fighting with Pride
- Phase 2 Feasibility Pilot RCT for Restore & Rebuild (R&R): A Psychological Treatment for Moral Injury. King's College London *
- Exploring Suicidality in Northern Ireland's Veterans. Queen's University Belfast*

*Award made through the Mental Health Research Programme

The impact of these grant awards will mainly be felt in subsequent years. The impact of previous years' grant awards, and also where appropriate those listed previously, is described in the following section on Impact and Influence.

Over the past decade, both through funding projects and influencing work, the Forces in Mind Trust team have significantly influenced policy and practice to support ex-Service personnel and their families to make a successful and sustainable transition. The Board agreed that the Trust's

For the year ended 31 December 2022

activities will not be judged only through its self-imposed notional target of £2.1 million external spend, but by its impact.

The total value of the 2022 awards, less other costs related to grants awarded was £4.374 million (previous period £1.660 million), including the grant for the new FiMT Research Centre.

Total charitable expenditure for the year amounted to £5.290 million (previous period £2.614 million).

Oversight of our Programmatic Approach has been provided by a Programme Committee-led 'deep dives' process of which Housing, Employment, Health, and Finance were conducted through the course of the year. While stakeholder engagement in all programmes is a routine activity throughout the year, both in pursuit of our strategy and as a key enabling function in each programme area, a specific programme reference panel was held for the Finance Programme which focused on the Cost-of-Living crisis and implied tasks for the Trust.

Exemplifying the principle of commissioning work where the Trust saw the strongest opportunities for impact, FiMT awarded a grant (Improving life skills in the UK Armed Forces) to examine the current deficit of life skills within the Armed Forces Community, critically review and assess the existing evidence on life skills, and present options for what a successful life skills programme could look like for Service personnel and their families in the UK Armed Forces.

The most significant 2022 commissioning activity was the award of the new FiMT Research Centre grant agreement to the RAND and King's College London consortium, an award valued at £2.5 million over 5 years. Directors are encouraged by the extent of work already carried out in the first few months of the new consortium. We also take this opportunity to thank the team at Anglia Ruskin University for their work during the first 5 years of the Centre and for their work on the transition to the new consortium being as smooth as possible.

Impact and Influence

Impact

The Trust has once again been influential in playing a key role developing policies and insightful recommendations that contributed to improvements in the lives of the Armed Forces Community. The Trust has continued to publish reports and make important findings and recommendations on public policy and service delivery, utilising virtual and online means to the fullest extent. Three particular areas of impact are worthy of note:

Mental Health Research Programme – the MHRP continued to generate a robust evidence base on the mental health needs of ex-Service personnel and their families and on effective and appropriate interventions to support those who require additional support for their mental health. The Trust has joint membership of NHS England's Armed Forces Research Translation Group, the Contact Group's Research Sub-Group, and sits on the Office for Veterans' Affairs health research

priorities panel. Three significant reports emerged from the MHRP in 2022. The first, an evaluation of Drinks:Ration, a smartphone application aimed at reducing alcohol consumption in veterans who were formally seeking mental health support. The Ministry of Defence is currently piloting the app with serving personnel and it is publicly available as an NHS approved app. The second, a feasibility trial of the MeTVeT smartphone app, developed to help ex-Service personnel overcome barriers that prevent them from help-seeking and lastly, the Military Service Identification Tool to aid the identification of veterans in electronic health records within secondary healthcare. The Tool, which is now publicly available, was successfully trialled at South London and Maudsley NHS Foundation Trust.

The MHRP, and wider related Health Programme, continued and further extended its reach into key stakeholder group activity through their existing, and some newly acquired roles. These include Contact Group (a voluntary collaboration of national government departments and statutory, charity, professional and academic bodies who work collaboratively on issues of military mental health policy, treatment and research to improve the mental health of the UK military community) and Contact's Research Sub-group (eg selecting a new independent Chair, a pivotal role to retain momentum on the achievements of this expert group); the MHRP Steering Group, a voluntary group representing statutory, non-statutory and academic sectors from across the devolved nations, who not only help assess mental health applications to FiMT, but also share their top concerns in veteran and wider mental health policy and services; the Office for Veterans Affairs-funded health research priority setting partnership with the James Lind Alliance, where lived experience, statutory and non-statutory representatives come together over 12 months to identify the top 10 veteran health research priorities; the Medical Advisory Committee, an independent group of medical, academic and associated experts that advises the Confederation of British Service Charities (Cobseo) on the health of UK veterans and the Service population, particularly matters affecting long term health; and the Armed Forces Research Translation Group, a newly formed group who aim to ensure latest findings make their way into front line health practice.

A Decade of the Covenant – The Trust's third iteration of the Our Community, Our Covenant reports, examining the impact of the Armed Forces Covenant in reducing disadvantage for the Armed Forces Community across the UK. The report, published in December, not only assessed the current delivery and impact of the Covenant, but provided a baseline for Government to measure the impact of the newly introduced Statutory Duty for specified bodies to have due regard for the principles of the Covenant when exercising certain statutory functions across health, housing, and education. The report also provided several resources to help local authorities and other organisations to assess and improve their delivery of the Covenant to ensure that no member of the Armed Forces Community is disadvantaged by their service.

Where are all the Veterans? – A highly successful project which resulted in a 218% increase in veteran registration at GP practices in North West England. Through the identification of low-cost and easily implemented initiatives, this project continues to have impact, increasing both veteran registration with GPs and GP practices becoming accredited as 'veteran friendly'. This was a significant step in encouraging veterans to access health care and ensuring that they receive appropriate care and support when they do.

Influence

In early 2022, the Office for Veterans' Affairs (OVA) launched its Veterans' Strategy Action Plan setting out the steps government will take from 2022–2024 towards its ambition of making the UK the best place in the world to be a veteran by 2028. Having been involved in the development of the Action Plan, it was pleasing to see several of the commitments align with our own policy goals and referral to a number of our projects. The Trust continued to work closely with the OVA throughout 2022, providing input and feedback on its Data and Research Framework and its strategy to measure progress against the 2028 outcomes. Our projects also continue to be influential with the No Homeless Veterans Campaign informing the government's new initiative, Op FORTITUDE, which will see £8.5 million of funding for a bespoke veterans' homelessness pathway. The Trust's work and its value on housing and monitoring Covenant delivery are also recorded in the government's Statutory Guidance for the Delivery of the Armed Forces Covenant.

Last year also saw the publication of the Ministry of Defence's UK Armed Forces Families Strategy 2022–32 which set out its commitment to ensuring that Armed Forces families are empowered to live rich and fulfilling lives and that their needs are recognised and supported. Two of the Trust's reports, 'Living in Our Shoes' and 'Lifting the Lid on Transition' feature in the Strategy with the former's recommendations providing the foundation for the accompanying action plan.

Much of the success of the Trust is achieved by influencing others to adopt policies and adapt service provision in accordance with evidence-based recommendations. Consequently, the Trust places a high premium on its network and its ability to reach into key decision makers. This requires continual external staff engagement. During the year, the Trust engaged at Ministerial levels in London, Cardiff and Edinburgh, and with the newly appointed Veterans Commissioners in Scotland and Wales.

In academia, the Trust once again played an important convening role through its support of the King's College London annual Veterans' Mental Health conference, a truly global and world-leading event where the Trust's research projects formed the backbone of the programme.

A fuller description of the Trust's impact, influence and engagement can be found in the 2022 Impact Report <http://www.fim-trust.org/reports/>

Beneficiaries of our services

The beneficiaries of the Trust's services are serving and former members of the United Kingdom's Armed Forces, and their families. The Trust's strategy of achieving impact means that benefit is gained not by the direct provision of welfare, relief in need or other grants, but by influencing the shaping and development of the improvements made to the policy, support and preventative work provided by the public, private and voluntary sectors.

Financial review

At the end of 2022 the Trust held total unrestricted charity funds of £15.377 million (2021: £23.098 million). Concerns about global market volatility remain largely due to effects of the Russian invasion of Ukraine, rising interest rates and inflation. The portfolio managed by Sarasin and Cazenove had lost £2.6m by March 2022.

This led the Board to once again halt the replenishment of 'cash instruments' required to maintain the Trust's current level of activity and grant awarding for a 2-year period without drawing down from the medium-term investment portfolios (and thus selling when prices were low). At the close of 2022, a total of £3.359 million (2021: £6.026 million) was held by Sarasin in cash/cash instruments. This is in addition to the instant access bank account holdings, described in the subsequent section on Reserves.

Draw down from medium-term funds totalled £3.7 million (2021: £4 million), and this, combined with stock market losses, led to the value of the portfolio managed by Sarasin reducing by £6.35 million to £19.675million (2021: £26.032 million). As a result of drawdowns, investment income fell to £299.7k (2021: £364.6k). With the Trust required to have spent out by November 2031, the Directors are satisfied that the planned Grants and Commissioning Plan, incorporating costs associated with monitoring and evaluation, is currently set at an appropriate level and that the Trust's other (ie non-grant awards) costs of £964k (2021: £942k) represent good value and reflect the Board's strategic intent to invest in increasing the Trust's impact. The Board is also aware that as FiMT approaches the end of its life, the proportion of grants expenditure versus staff resources will change significantly, with expenditure on grants reducing compared to staff/operational costs. This is justifiable as it is also recognised by the Board that most FiMT staff costs are directly associated to the delivery of FiMT's objectives, rather than overheads.

In January 2022 the Finance and Investment Committee conducted a review of investment management, which recommended changes to the arrangements that had been in place. The work on 'reconfiguring the endowment' concluded in March 2022 with Sarasin being appointed as the Trust's sole investment manager.

Principal risks and uncertainties

During the course of the year, the Directors considered the major risks to which the Trust is exposed and the systems that it has to mitigate them. The Directors concluded that there are appropriate policies, procedures and systems in place to deal with the identified risks, which have been captured and are routinely managed through a comprehensive Risk Register.

The Board has assessed that the major strategic risk to the Trust is that it fails to have delivered sufficient impact at the end of its 20-year life. It is controlling that risk by further implementing its programmatic approach, and by taking early steps to consult, identify and plan for when the current endowment is spent out.

The Board has assessed that the major legal and regulatory compliance risk to the Trust is failure to keep abreast of regulatory changes. It is controlling that risk by a combination of advice and updates from professional advisers including Cobseo and other third sector organisations, and investing in the technical knowledge of the Board and staff, who undergo regular, relevant training. An internal Conformance Review Programme continues to identify and review conformance with policies following a risk-based approach.

The Board has assessed that the major operational risk to the Trust is staff turnover and/or unexpected absence resulting in under-staffing and loss of corporate knowledge. It is mitigating that risk by a short-term and targeted hiring to meet the immediate and enforced gaps in capacity and experience within the Executive Senior Leadership Team since June 2022, by appropriately enhancing the employment 'offer' and by investing in staff development and thus developing resilience and contingent capacity across the team.

The Board has assessed that the major financial risk to the Trust is that equity market volatility causes encashment of medium-term investments at low values in order to maintain planned expenditure. It has controlled the risk through its investment policy as described later, by proactive engagement with the Trust's Investment manager, Sarasin, and by the membership of two lay advisers on the Finance and Investment Committee with investment expertise.

The Board has assessed that the major governance risk to the Trust is insufficient Board capacity or skills. It is controlling that risk by regularly reviewing the Board succession plan and its matrix of skills and experience.

Over the years, the main uncertainty faced by the Trust has been the level of grant and commission awards that will be made over the remainder of the Trust's 20-year life. The Board is comfortable with the current level of spending, noting that the Trust has produced 10 years' worth of credible research that could be exploited, and upon which, well-targeted Executive team activity could still deliver much impact in coming years. The Board agreed that the Trust's activities should not be judged solely by how much money was spent but by its impact.

Investment policy

The current Investment Policy is based upon the ability to fund 24 months of operations and grant making at full planned rates without drawing down on medium-term investments. This equates to approximately £6m per annum. Following the 'reconfiguration of the endowment' exercise and the appointment of Sarasin as sole Investment Manager for at least the next 5 years, a new policy, in accordance with Charity Finance Group best practice, was developed. During 2022 there were two objectives for the Investment Manager:

- To maintain at all times up to £6m in cash instruments in a separate segregated mandate (ie a 'short-term reserve' portfolio). This was achieved during 2022.
- To generate a target return of CPI on a rolling 3-year period from the remaining medium-term investments, after expenses (ie in a 'medium-term reserve' portfolio). The reason for

the change (previously CPI+3%) was to de-risk the portfolio, making the investments less exposed to equity markets, bringing less volatility and more predictability. Over the last 12-month period, return was negative at 8% (2021: 1.4%). Since inception, overall performance against target has been 3.5% from the portfolios managed by Sarasin.

The Trust's Grants and Commissioning Plan and operating costs are funded both by investment income and cash withdrawal. This requires the Investment Manager to forecast investment income from (reducing) capital accurately and FiMT to give proper notice to Sarasin of projected cash withdrawals required in the following 12 months at least.

Reserves policy and going concern

The Trust's reserves policy is to maintain between 6 and 24 months of operating costs, covering committed grant payments and future grant-making at the full strategically planned rates, in a combination of an instant access bank account and short-term funds held by the Investment Manager as cash/cash instruments to ensure FiMT's ability to fulfil its Grants and Commissioning Plan. The balance of the funds is held by the Investment Manager in medium-term portfolios in accordance with the Investment Policy. The Directors consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Cash held in the instant access bank account is calculated so as to meet monthly cash flow forecasts and can be replenished at 24 hours' notice from the Investment Manager' cash/cash instruments. On 31 December 2022, cash flow for January/February 2023 was forecast to be £502k and instant access bank account holdings were £740k (31 December 2021 – £936k)

The Directors do not consider that there are any sources of reasonable uncertainty at the reporting date that have a significant risk of causing a material adjustment to the amounts of assets and liabilities carried within the next reporting period. Directors are aware that there are net current liabilities, but this is principally due to timing and the fact that liabilities are recognised in full for the following 12 months. There is no corresponding income recognised. In addition, the Trust has significant resources available in fixed asset investments which can be drawn down as required to fund working capital.

Plans for the future

The Trust held an in-person Annual Strategy Review (Awayday) in early February 2022 to review and discuss where the Trust could potentially achieve most impact in the coming 3–5 years. Discussion covered a proposed strategic framework for supporting transition under which the Trust would seek to operate. However, with no support for a radical change of direction, the Trust stayed true to its existing Strategy which had introduced the programmatic approach focused on Outcomes and Enablers as a way of increasing impact. However, following the Chair's succession and churn in some directors and the CE post, early 2023 saw another strategy awayday to focus on and review the Trust's mission and strategy for achieving impact.

Notwithstanding, in the Autumn 2022, the Board considered the 2023 Business Plan and outline budget, endorsing a continued focus on delivering upon the Research Centre project and provision of appropriate high-level support in achieving its aims, including Trust support and engagement in the combined Research Centre and KCMHR conference scheduled for March 2023. Future plans also include maintaining the Trust commitment to supporting its Mental Health Research Programme; development of two large commissions for a new Transition Mapping Study and a further Our Community, Our Covenant report as well as work to review Census 2022 veteran data and analysis of demographics of need and provision of support. Plans will also ensure sufficient flexibility to be able to entertain continued funding of reactive grant applications, co-created to ensure a good fit with existing programme priorities.

Structure, governance and management

Forces in Mind Trust is an unincorporated charity registered as a charity on 31 January 2012. The Forces in Mind Trust was established under a sole corporate trustee, FIM Trustee Limited (Trustee), on 21 November 2011 and the Trust Deed was agreed between BIG (the Founder) and Trustee on 28 November 2011. BIG is now known as the National Lottery Community Fund.

All Directors give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Notes 4 and 7 to the accounts.

The Board meets quarterly. The Protector of the Trust also attends Board meetings. The Board has three sub-committees, and has approved Terms of Reference and appointments for each. The Governance (bi-annually) and the Finance and Investment (quarterly) Committees meet regularly to review relevant issues, and to monitor the work of, and provide advice to, the Executive Team. The Programmes Committee assesses and awards grants and commissions to applicants, advises on aspects of the Trust's influence planning and activity, and also supports the Executive Team as required in this activity. The Programmes Committee may authorise the award of grants for projects up to an agreed limit. Applications for grants outside this envelope or above the project limit, or which the Programmes Committee believes should be seen by the Board, must be assessed first by the Committee and recommendations made to the Board accordingly. All three committees provide a written report to each Board meeting.

Throughout 2022, the Trust continued its Mental Health Research Programme, constituted by a Steering Group under the remunerated chairmanship of the Chief Executive of the Centre for Mental Health. The Steering Group provides expert advice to the Programmes Committee and to the Executive Team, but has no grant awarding authority. One Director also sits in attendance at Steering Group meetings.

Even though the Forces in Mind Trust Research Centre (the Centre) is an entirely separate entity, the Board has nominated a Research Centre Strategic Advisor (RCSA), a former FiMT Director who has relevant skills and experience to assist the Board with strategic oversight and higher-level management of the Centre. The Centre's Governance Board submits a formal quarterly report to the Board, and briefs the Board in person biannually. The Centre is advised by an Expert Advisory Board.

The Governance Committee instigated a formal governance review using Digi-Boards, a widely used tool that follows the principles of the Charity Governance Code. The responses to this review indicated that the Trust is perceived to be a 'Quite Well' run charity, and was commended for undertaking a governance review. At the same time, results showed that when looking at the individual principles of the Charity Governance Code there are improvements that can be made, and undertaking the Digi-Board governance review at this juncture was seen as an ideal opportunity to reflect on learning from past issues and focusing on future direction to have the maximum impact for the charity's beneficiaries.

To progress work on Equality, Diversity and Inclusion (EDI), the Board reconfirmed that it is the Trust's mission to identify and increase understanding of the range of needs of ex-Service personnel and their families, and to ensure that an equitable and inclusive approach is built into both our own decision-making on funding and commissioning, and into our policy influencing activity. The process and rigour applied to developing grant applications and commissions, and to generating research evidence ensures that the full breadth of diversity within the ex-Service community is already considered and reflected in much of our work, and one of the grants awarded during 2022 has a focus on the specific issues of identity and discrimination of Service leavers and their families.

EDI in the context of staff and Board composition was also considered in 2022, and to this end recruitment campaigns for both new Directors and staff members were open and widely advertised. EDI issues receive regular review and it remains a standing item on the GC's agenda.

Since the introduction of a hybrid working policy the Executive Team remains working both remotely and from the Trust's offices in London. Even though Directors believe that retaining the sub-lease within Mountbarrow House represent the most cost-effective option, the existing arrangements are reviewed regularly.

In December 2022 the Board agreed that the Trust would sign up to the Funders Commitment to Climate Change (FCCC), becoming the 100th funder to do so. The FCCC recognises that charitable trusts and foundations, such as Forces in Mind Trust, have a crucial role to fulfil in the united effort to mitigate and adapt to the impact of climate change. Across our investments, grant making and operations there may be multiple opportunities to contribute to the prevention and mitigation of the climate emergency. The impact potential here is expansive due to our unique and privileged position as an influential funder working within a large network. A policy statement and an action plan are currently being developed, and a member of staff has been appointed as the lead on this.

The Directors have delegated day-to-day running of the Trust to the Chief Executive (Acting), Tom McBarnet.

Appointment of Directors

At the start of the reporting period, the Board had 13 Directors, comprising the Chair (an independent Director), 5 Directors who were nominated by Cobseo, and 7 other independent Directors who ensure a wide range of skills and knowledge, listed previously. Three Directors stood down and four were recruited during this period, including a new Chair. At the start of 2023, the Board held one vacancy (for an independent nominee). Directors continue to aim at a Board size of 12 to 13 (up to 5 Cobseo and 8 independent), consistent with Charity Governance Code best practice, and will use the remaining vacancy when appropriate to develop future members and improve diversity.

The Trust recognises and embraces the benefits of having an inclusive organisation that makes good use of differences between Directors, staff and external partners. In this context, FiMT recognises such differences can include gender, race, national and ethnic origin, colour, religion, age, sexual orientation, marital and family status, and physical or mental disabilities, as well as differences in political and other beliefs. The Trust ensures that all individuals are provided with equal opportunities and seeks positively to create opportunities for those groups that may be disadvantaged.

Director induction and training

New Directors (four this year) receive induction briefings from the Board and the Chief Executive in accordance with a continuously reviewed programme. Depending upon a new Director's experience, access to legal, trust and military expert briefings are also arranged as required. The Trust meets the full costs of such attendances. Departing Directors (three in 2022) conduct 'exit' interviews with the Board Chair and Chief Executive.

Current Directors are offered attendance at a range of professional development events throughout the year, for which the Trust will pay. In particular, NCVO, ACEVO, ACF, Legal Adviser and Investment manager programmes are highlighted to Directors in the Trust's monthly Newsletter.

The Board reviews its own performance and that of individual Directors, including the Chair (please note reference to the DigiBoard self-assessment exercise above). All Directors conduct an annual one-to-one discussion with the Board Chair. The Deputy Chair in turn discusses the Chair's needs. In addition, Directors are strongly encouraged to attend Committees of which they are not members, including the Mental Health Research Programme Steering Group, and it is expected that all Directors will attend a Programmes Committee meeting at least once during each term of office (3 years maximum).

External evaluation of collective Board performance was not considered necessary this year; the presence of the Protector at all Board meetings provided adequate independent review.

Related parties and relationships with other organisations

The Trust has in place robust procedures for handling conflicts of interest. In particular, Directors and staff with a conflict of interest are not present when discussions are held and funding decisions are made in relation to that interest. The Trust maintains a full register of interests, which is brought to Directors' attention at every meeting, and is also available on the Trust's website.

ABF – The Soldiers' Charity

The Chief Executive of ABF – The Soldiers' Charity is also a Director of FIM Trustee Limited. FiMT has a lease with ABF – The Soldiers' Charity for room hire and premises services provided at

Directors' annual report

For the year ended 31 December 2022

Mountbarrow House. Rent and service charges in respect of this lease for the year to 31 December 2022 were £ 88,938 (2021: £77,370) and pass-through cost for postal and other services was £7,772 (2021: £7,717). Rent and services remain substantially below market rate and ABF – The Soldiers' Charity continues to act in the Trust's interests in its dealings with the Landlord, Grosvenor Estates.

Barclays Bank UK PLC

An employee of Barclays Bank UK PLC is also a Director of FIM Trustee Limited. At the year end, £226 (2021: £226) was paid for banking services to Barclays Bank UK PLC and Barclaycard.

Cobseo

The Executive Chair of Cobseo is also a Director of FIM Trustee Limited. Up to 5 members of the Board of Directors of FIM Trustee Limited are nominated by Cobseo and appointed by FiMT. There was one direct transaction between FiMT and Cobseo during the period. At the year end, £170 (2021: £570) membership fee was paid on behalf of FiMT. During the period, Cobseo's Housing Cluster was awarded an additional £1,404 grant for the project 'No Homeless Veterans', coordinated by the Sir Oswald Stoll Foundation, and an additional £46,946.74 for the project 'Roadmap to End Veterans Homelessness', coordinated by Riverside; both are described under Note 5 to the Financial Statements. Payments to Chairman of Cobseo were exclusively for personal expenses associated with his role as a Director of FIM Trustee Limited, and are included within Note 7 to the financial statements.

King's College London – King's Centre for Military Health Research

An Honorary Professor of King's Centre for Military Health Research (KCMHR), which is a part of King's College London (KCL), is also a Director of FIM Trustee Limited. During the period, FiMT awarded five research contracts totalling £881,555 (2021: £250,000) to King's College London, as described under Note 5 to the Financial Statements. During the year the consortium Rand Europe/Kings College London was also awarded a grant to run the FiMT Research Centre (£2.5 million) until 2027, and King's College London was a partner in another project awarded to Rand Europe £149,900).

RAND Europe

The President (Chief Executive) of RAND Europe was also a Director of FIM Trustee Limited until December 2022. One award of £149,900 (2021: £221,483) was granted to Rand Europe. An additional grant (£4,398) was also awarded to the collaboration Shared Intelligence/RAND Europe/Meri Mayhew Consulting, as described under Note 5 to the Financial Statements. During the year the consortium Rand Europe/Kings College London was also awarded a grant to run the FiMT Research Centre (£2.5 million) until 2027.

The Poppy Factory

The former Chief Executive of the Poppy Factory is also a Director of FIM Trustee Limited. No awards were granted to The Poppy Factory during the period, but it is a current FiMT grant holder.

Remuneration policy for key management personnel

In March 2016 (formally reviewed during 2021), the Board adopted a formal remuneration policy based upon an incremental salary scale, benchmarked annually using a leading market provider (currently Croner Reward) to cover cost-of-living and market comparators. The Governance Committee recommends to the Board the appropriate award for the forthcoming tax year. In March 2022, the Board accepted the Governance Committee's recommendations, all of which met the Policy requirements.

In addition to the annual salary review, the Trust also considers other employee benefits, where it is guided by sector comparators. All staff receive death-in-service insurance, and can take advantage of a cycle-to-work scheme and season ticket loan. The annual health screening once again took place in 2022; in addition, all employees still have access to an employee assistance programme and confidential employee hotline. Annual leave at 30 days (plus bank holidays) is above sector average, and the Trust offers flexible working and 'time off in lieu'. The Board uses all these factors to encourage retention, which remains high.

Forces in Mind Trust does not undertake any fundraising activities, either directly or using an agency. As such, we do not currently subscribe to a fundraising code or regulation. We are not aware of any failures, during the year ended 31 December 2022 (2021 : none), by the charity of any person acting on its behalf, to comply with our fundraising standards, nor did we receive any complaints about fundraising activity.

Our staff have been provided with training on how to protect vulnerable people and other members of the public from behaviour which is an unreasonable intrusion on a person's privacy; or which is unreasonably persistent and places undue pressure on a person to give money or other property.

Statement of responsibilities of the Directors

The Directors are responsible for preparing the Directors' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Directors 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 of the charity for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP (2019)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Directors 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. 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 Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors' report has been approved by the Directors on 13 June 2023 and signed on their behalf by:

J N Macleod
Chair of the Board

T F McBarnet
Chief Executive

Report of the Protector for the year ended 31 December 2022

Background

I was appointed by the National Lottery Community Fund (the 'Fund'), after an open recruitment process, as the Protector of the Forces in Mind Trust ('FiMT' or the 'Trust') in December 2021 for a 5 year term, succeeding Simon Martin who had served in this post for the preceding 10 years.

The Trust Deed dated 28 November 2011 which established FiMT requires the Protector to prepare a statement for publication by FiMT's corporate Trustee (FIM Trustee Limited) in its annual report, explaining the Protector's function, how the function has been exercised and, if appropriate, identifying any areas of administration which require improvement and steps to be taken by the Trustee to effect such improvement. This report covers my period in office up to 31 December 2022.

Protector's Function

The functions of the Protector are to ensure that the Trustee administers the Trust properly and to protect the Trust property. The principal objects of the Trust are set out elsewhere in this document. The Trust property consists of a portfolio of investments and cash derived from an original settlement on the Trust by the Fund of £35 million. If necessary, the Protector must report matters of serious concern to the Fund or to the Charity Commission. The Protector therefore has a "watch-dog" role and must monitor the Trustee and prevent it from abusing its powers or breaching its duties. More positively, the Protector must seek to ensure, as far as possible, that the Trust is administered in accordance with the terms of the Trust Deed and give or withhold consent or approval to the exercise of certain powers by the Trustee.

How I have discharged the Protector's function

I attended four board meetings held during the period 1 December 2021– 31 December 2022. I also joined the Board strategy away day which took place in February 2022. In addition, I had several meetings with, and spoke to, the Chair, other trustees and the Chief Executive of the Trust, as required, during the period under review.

I also commented on various aspects of the governance and operation of the Trust during the period. I was not requested to consider or approve any changes to the constitution of the Trust.

Governance and Management of the Trust

I am satisfied that the Trust was administered in accordance with the terms of the Trust Deed in the period from December 2021– December 2022.

During this period there were various changes of director on the board of the Trustee:

- two directors who had been nominated by the Confederation of Service Charities ('Cobseo'), stepped down and were replaced by new individuals also nominated by Cobseo, which has the right under the articles of association of the Trustee to nominate up to 5 directors; and
- two independent directors left the board in December 2022, one because of his wish to

Protector's report

For the year ended 31 December 2022

explore other opportunities and the other, the Chair, at the end of his term; they were replaced by new appointees who were identified in open recruitment processes.

I am satisfied that there were no factors relating to these resignations that have an impact on the operation or governance of the Trust, and that the selection processes were aimed at recruiting suitably skilled directors for the board.

There are currently 13 trustees in post, 5 of whom were nominated by Cobseo. This ratio preserves an appropriate balance between the independent and Cobseo nominated directors, whilst ensuring that the Trust benefits from the knowledge and sector expertise of those associated with Cobseo and its member charities.

Covid lockdown and social distancing restrictions having been relaxed by the time I took up my post, I am pleased to be able to report that, although two Governance Committee meetings were held online, and one board meeting had to be held online because of train strikes, most full board and committee meetings during the period were attended in person. This enables a better quality of constructive debate and challenge, as well as building better board cohesion.

From what I have seen, there appears to be a proper division between the strategy setting, oversight and monitoring role of the board and the day-to-day responsibilities of the executive team. There was also an appropriate delegation of authority and workload from the full Board to the three functioning committees of the Board – the Finance and Investment Committee, the Programmes Committee and the Governance Committee – all of which meet regularly. Reports from each of the Committees are presented at each Board meeting.

The Executive Team

As noted in the Trustee's report, the Trust's CEO, Mike Ellicock, who had been appointed in December 2020 and taken over full leadership 6 months later (on the retirement of the first CEO, Ray Lock), decided to leave the Trust during 2022 to pursue new professional challenges; he was replaced in June 2022 by Tom McBarnet as Acting CEO. As Tom was already an established and respected member of the Trust's Executive, this transition, which might have been disruptive, was smoothly achieved, with continuity of endeavour and support from the other members of the Executive.

Trust Research Centre

My predecessor commented in his report last year on the tender process relating to FiMT Research Centre (formerly based at Anglia Ruskin University) which resulted in a consortium of RAND Europe and the King's Centre for Military Health Research being selected as preferred bidders, subject to satisfactory negotiation of a research centre grant agreement. Those negotiations took place during the period to which this report relates, resulting in confirmation of the award (as described in the Trustee's report). Two of the directors (including the then Chair) had a conflict of interest, as they were each, respectively, connected with one of the bidders; I am satisfied that correct

Protector's report

For the year ended 31 December 2022

processes were followed in decision-making as regards the Research Centre, with the two directors in question having no influence and playing no part in the board's deliberations.

2023 Strategy Review

I note with approval the proposal to hold in February 2023 a review both of the board's own effectiveness and of the Trust's vision and mission for its remaining 8 years and its strategy for the next 2–3 years. This is timely, given the recent changes in board and executive leadership and given where the Trust is in its anticipated lifecycle. I look forward to continuing to work with the Trust through 2023 as it seeks to achieve its purposes, translating strategy into impact most effectively.

Alison Paines

Protector – Forces in Mind Trust (December 2021 – 31 December 2022)

February 2023

Independent auditor's report

To the trustee of

Forces in Mind Trust

Opinion

We have audited the financial statements of Forces In Mind Trust (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including 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 charity's affairs as at 31 December 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the trustee's annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report

To the trustee of

Forces in Mind Trust

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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 trustee's report; or
- the charity has not kept adequate and proper 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 the Trustee

As explained more fully in the trustee's responsibilities statement, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made or having effect thereunder.

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.

Independent auditor's report

To the trustee of

Forces in Mind Trust

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below: We gained an understanding of the legal and regulatory framework applicable to the Charity and the sector in which it operates and considered the risk of the Charity not complying with the relevant laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting, and tax legislation. In relation to the operations of the Charity this included compliance with the Charities Act 2011 and SORP 2019.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified.

These included the following:

- Review of legal fees incurred;
- Reviewing minutes of Director Board meetings;
- Agreeing the financial statement disclosures to underlying supporting documentation;
- Enquiring of management, including those charged with governance;
- Reviewing key accounting policies and estimates

To address the risk of management override of controls, we reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Independent auditor's report

To the trustee of

Forces in Mind Trust

Use of our report

This report is made solely to the charity's trustee, 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 trustee 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 charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Price Bailey LLP
Chartered Accountants
Statutory Auditors
24 Old Bond Street
London
W1S 4AP
Date

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

Forces in Mind Trust

Statement of financial activities

For the year ended 31 December 2022

	Note	Endowment £	Unrestricted £	2022 Total £	2021 Total £
Income from:					
Investments	3	299,694	–	299,694	364,559
Total income		<u>299,694</u>	<u>–</u>	<u>299,694</u>	<u>364,559</u>
Expenditure on:					
Raising funds		–	122,510	122,510	133,277
Charitable activities					
Knowledge and Evidence		–	5,115,336	5,115,336	1,647,635
Collaboration and Leadership		–	(26,031)	(26,031)	403,008
Influence and Convening		–	100,841	100,841	397,186
Capacity Building		–	99,864	99,864	166,409
Total expenditure	4	<u>–</u>	<u>5,412,520</u>	<u>5,412,520</u>	<u>2,747,515</u>
Net income / (expenditure) before net gains on investments		299,694	(5,412,520)	(5,112,826)	(2,382,956)
Net gains on investments	12	<u>(2,607,896)</u>	<u>–</u>	<u>(2,607,896)</u>	<u>1,803,785</u>
Net income / (expenditure)	6	(2,308,202)	(5,412,520)	(7,720,722)	(579,171)
Transfers between funds	17	<u>(5,412,520)</u>	<u>5,412,520</u>	<u>–</u>	<u>–</u>
Net movement in funds		(7,720,722)	–	(7,720,722)	(579,171)
Reconciliation of funds:					
Total funds brought forward		<u>23,097,511</u>	<u>–</u>	<u>23,097,511</u>	23,676,681
Total funds carried forward	17	<u>15,376,789</u>	<u>–</u>	<u>15,376,789</u>	<u>23,097,511</u>

The negative balances showing for collaboration and leadership have arisen as a result of funds awarded in previous years having been returned to us in the year to 31 December 2022.

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

Forces in Mind Trust

Balance sheet

As at December 2022

	Note	£	2022 £	2021 £
Fixed assets:				
Tangible assets	11		–	–
Investments	12		19,674,702	26,032,467
			19,674,702	26,032,467
Current assets:				
Debtors	13	21,837	21,795	
Cash at bank and in hand		740,424	935,746	
		762,261	957,541	
Liabilities:				
Creditors: amounts falling due within one year	14	(2,480,593)	(2,869,737)	
Net current liabilities			(1,718,332)	(1,912,196)
Total assets less current liabilities			17,956,370	24,120,271
Creditors: amounts falling due after one year	15		(2,579,581)	(1,022,760)
Total net assets	16		15,376,789	23,097,511
The funds of the charity:				
Endowment funds			15,376,789	23,097,511
Unrestricted general funds			–	–
Total charity funds	17		15,376,789	23,097,511

Approved by the trustee on 13 June 2023 and signed on their behalf by

J M Macleod
Chairman of the Board

T F McBarnet
Chief Executive

Forces in Mind Trust

Statement of cash flows

For the year ended 31 December 2022

	Note	2022 £	£	2021 £	£
Net expenditure for the reporting period (as per the statement of financial activities)		(7,720,722)		(579,170)	
Dividends, interest and rent from investments	3	(299,694)		(364,559)	
(Gains)/losses on investments		2,607,896		(1,803,785)	
(Increase) in debtors		(42)		(3)	
(Decrease)/increase in creditors		1,167,677		(1,189,567)	
Net cash (used in) operating activities			(4,244,885)		(3,937,084)
Cash flows from investing activities:					
Dividends and interest from investments		299,694		364,559	
Depreciation of fixed assets		–		1,440	
Proceeds from sale of investments		4,766,825		10,212,294	
Purchase of investments		(4,351,763)		(4,688,949)	
Cash movement within investment portfolio		3,334,807		(1,493,562)	
Net cash provided by investing activities			4,049,563		4,395,782
Change in cash and cash equivalents in the year			(195,322)		458,698
Cash and cash equivalents at the beginning of the year			935,746		477,048
Cash and cash equivalents at the end of the year			740,424		935,746

1 Accounting policies

a) Statutory information

Forces in Mind Trust is an unincorporated charity, registered with the Charity Commission in England and Wales.

The registered office address is Mountbarrow House, 6–20 Elizabeth Street, London, SW1W 9RB.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a ‘true and fair’ view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a ‘true and fair view’. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn. The financial statements are prepared in pounds sterling and are rounded to the nearest pound.

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

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

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Key judgements that the charity has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

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

Income from government and other grants, whether ‘capital’ grants or ‘revenue’ grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

f) Interest and dividends receivable

Interest on funds held on deposit and dividends are included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1 Accounting policies (continued)

g) Fund accounting

The expendable endowment fund provided by the Big Lottery Fund will be used over a 20 year period to support the charitable activities of the Trust. In accordance with the Trust Deed, the whole of the Trust Fund and Income will have been applied in furtherance of the charitable objectives by 28 November 2031. Transfers are made from the endowment fund to cover expenditure incurred during the year by the Trust

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

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 relate to investment manager fees
- Expenditure on charitable activities includes the costs of grant making undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

● Knowledge and Evidence	41.0%
● Collaboration and Leadership	10.0%
● Influence and Convening	10.0%
● Capacity Building	4.0%
● Cost of raising funds	10.0%
● Governance costs	25.0%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with the constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1 Accounting policies (continued)

j) Grants payable

Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Multi-year grants are fully accounted for in the year the grant is approved. Payments falling due in later years are provided for as a liability on the balance sheet. This reflects the Trust's experience that only in exceptional circumstance are approved grants subsequently not paid.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £5,000, including VAT. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. Software is assumed to have a useful economic life of five years and depreciated on that basis on a straight line basis. Assets not yet in use but which are expected to be utilised in future are held at cost until they are brought into use.

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

1 Accounting policies (continued)

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

Creditors and provisions are recognised where 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The charity only has financial assets and financial 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

The charity makes payments to defined contribution pension schemes on behalf of employees. The assets of the schemes are held separately from those of the charitable company in independently administered funds. The pension cost charge represents contributions payable to the funds during the year. The charity has no liability under the schemes other than the payment of those contributions.

2 Detailed comparatives for the statements of financial activities

	Endowment £	Unrestricted £	2021 Total £
Income from:			
Investments	364,559	–	364,559
Total income	364,559	–	364,559
Expenditure on:			
Raising funds	–	133,276	133,276
Charitable activities	–	2,614,239	2,614,239
Total expenditure	–	2,747,514	2,747,514
Net income / expenditure before gains on investments	364,559	(2,747,514)	(2,382,955)
Net gains on investments	1,803,785	–	1,803,785
Net income / expenditure	2,168,344	(2,747,514)	(579,170)
Transfers between funds	(2,747,514)	2,747,514	–
Net movement in funds	(579,170)	–	(579,170)
Total funds brought forward	23,676,681	–	23,676,681
Total funds carried forward	23,097,511	–	23,097,511

3 Income from investments

	2022 Total £	2021 Total £
Income from investments	299,353	364,489
Bank interest	341	70
	299,694	364,559

All income from investments is allocated to endowment funds.

4a Analysis of expenditure (current year)

	Charitable activities						Support costs £	2022 Total £	2021 Total £
	Cost of raising funds £	Knowledge and Evidence £	Collaboration and Leadership £	Influence and Convening £	Capacity Building £	Governance costs £			
Staff costs (Note 7)	48,050	362,027	(1,842)	7,137	7,068	142,148	102,774	667,362	663,884
Recruitment costs							26,713	26,713	10,299
Travel and subsistence		15,719	(80)	310	307	2,039		18,295	16,905
Grants payable (Note 5)		4,286,852	(21,815)	84,508	83,690			4,433,235	1,805,818
Investment manager's fees	18,539							18,539	31,720
Advisors' fees and expenses						15,600		15,600	15,000
Auditors' remuneration						10,010		10,010	8,760
Premises costs							88,938	88,938	77,722
Legal and professional fees		93,501	(476)	1,844	1,825			96,694	68,949
Marketing and communications						3,348		3,348	-
Directors' expenses						2,188	48	2,236	772
Office costs							31,550	31,550	47,686
	<u>66,589</u>	<u>4,758,099</u>	<u>(24,213)</u>	<u>93,799</u>	<u>92,890</u>	<u>175,333</u>	<u>250,023</u>	<u>5,412,520</u>	<u>2,747,515</u>
Support costs	25,002	157,149	(800)	3,098	3,068	62,506	(250,023)	-	-
Governance costs	30,919	200,088	(1,018)	3,944	3,906	(237,839)	-	-	-
Total expenditure 2022	<u>122,510</u>	<u>5,115,336</u>	<u>(26,031)</u>	<u>100,841</u>	<u>99,864</u>	<u>-</u>	<u>-</u>	<u>5,412,520</u>	
Total expenditure 2021	<u>133,276</u>	<u>1,647,636</u>	<u>403,008</u>	<u>397,186</u>	<u>166,409</u>	<u>-</u>	<u>-</u>		<u>2,747,515</u>

The negative balances showing for collaboration and leadership have arisen as a result of funds awarded in previous years having been returned to us in the year to 31 December 2022.

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2022

4b Analysis of expenditure (prior year)

	Charitable activities							
	Cost of raising funds £	Knowledge and Evidence £	Collaboration and Leadership £	Influence and Convening £	Capacity Building £	Governance costs £	Support costs £	2021 Total £
Staff costs (Note 7)	47,800	234,731	57,415	56,585	23,708	141,407	102,238	663,884
Recruitment costs	–	–	–	–	–	–	10,299	10,299
Travel and subsistence	–	7,475	1,828	1,802	755	5,045	–	16,905
Grants payable (Note 5)	–	1,138,125	278,383	274,361	114,949	–	–	1,805,818
Investment manager's fees	31,720	–	–	–	–	–	–	31,720
Advisors' fees and expenses	–	–	–	–	–	15,000	–	15,000
Auditors' remuneration	–	–	–	–	–	8,760	–	8,760
Premises costs	–	–	–	–	–	–	77,722	77,722
Legal and professional fees	–	43,455	10,629	10,476	4,389	–	–	68,949
Directors' expenses	–	–	–	–	–	772	–	772
Office costs	–	–	–	–	–	–	47,686	47,686
	79,520	1,423,786	348,255	343,224	143,801	170,984	237,945	2,747,515
Support costs	23,795	97,478	23,843	23,498	9,845	59,486	(237,945)	–
Governance costs	29,961	126,372	30,910	30,464	12,763	(230,470)	–	–
Total expenditure 2021	133,276	1,647,636	403,008	397,186	166,409	–	–	2,747,515

Notes to the financial statements

For the year ended 31 December 2022

5 Grant making

	2022 £	2021 £
Creditors at the start of the year	3,850,361	5,000,134
Grants awarded in the year (Note 4 and detailed below)	4,348,727	1,660,514
Costs related to monitoring and evaluation of grants awarded	84,508	145,304
Grants paid	(3,289,246)	(2,955,591)
Total creditors at the end of the year	4,994,350	3,850,361
Creditors due within one year (Note 14)	2,414,769	2,827,601
Creditors due in over one year (Note 15)	2,579,581	1,022,760
Total creditors at the end of the year	4,994,350	3,850,361

	2022 £	2021 £
Grants awarded in the year:		
Contact Group Operational Resources Years 2022–2024.		
Windsor Leadership Programmes, Windsor Leadership Trust		
Veterans Work: The Podcasts. Deloitte. CE Award		
Soldiering On Awards 2021. X Forces. CE Award		
Changing our Approach to Veterans' Employment through Trade Associations and Membership Bodies. X-Forces		
No Homeless Veterans. Stoll on behalf of the Cobseo Housing Cluster		
Mental health and its relationship with unemployment and disability benefits among UK veterans. King's Centre for Military Health Research		
Chamber Military Network. Black Country Chambers of Commerce		
Non-UK Personnel, Veterans and Families. Anglia Ruskin University		
Armed Forces Charities Expanding Knowledge and Evidence, 2021–2023. Directory of Social Change		
Ex-Service personnel in the Criminal Justice System in England, Wales and Scotland. Nacro in partnership with the Institute of Public Safety, Crime and Justice (IPSCJ) and the Institute for Social Innovation and Impact (ISII) at the University of Northampton		
Our Community, Our Covenant 3: Examining the impact of the Armed Forces Covenant. Shared Intelligence in partnership with RAND Europe and Meri Mayhew		
Non-UK Personnel, Veterans and Families. Anglia Ruskin University. Additional Award		
Understanding the impact of serving within the UK Armed Forces for the Indian and West Indian veteran populations. University of Chester		
Pioneer Programme – MDMA-Assisted Psychotherapy Research for treatment-resistant PTSD. Supporting Wounded Veterans and King's College London		
Developing Peer Support for Families of Veterans with Substance Use Problems. University of York		
Triggers of help seeking for alcohol problems in ex-serving personnel: the roles of recognition and mental health comorbidity. University of Liverpool		
RCT of modular motion-assisted memory desensitisation & reconsolidation (3MDR) for treatment resistant PTSD. Cardiff University		
Sub-total carried forward	250,408	1,787,853

Charitable Activity

	2022 £	2021 £
Capacity Building		91,955
Capacity Building		22,994
Collaboration and Leadership		25,000
Collaboration and Leadership		18,000
Collaboration and Leadership		42,383
Collaboration and Leadership	1,404	193,000
Knowledge and Evidence		(7,569)
Influence and Convening		129,057
Knowledge and Evidence		145,997
Knowledge and Evidence	149,900	271,191
Knowledge and Evidence	56,338	244,106
Knowledge and Evidence	4,398	221,484
Knowledge and Evidence	38,368	4,000
Knowledge and Evidence		162,894
Knowledge and Evidence		250,000
Knowledge and Evidence		(2,032)
Knowledge and Evidence		(962)
Knowledge and Evidence		(23,645)

5 Grant making (continued)

Grants awarded in the year:	Charitable Activity	2022 £	2021 £
Sub-total brought forward		250,408	1,787,853
The Poppy Factory IPS Pilot for Wounded, Injured and Sick Veterans. The Poppy Factory	Knowledge and Evidence		(21,000)
Mental Health and Treatment Needs of UK ex-Serving personnel. King's Centre for Military Health Research	Knowledge and Evidence		(6,339)
Household Survey 2021. The Royal British Legion.	Knowledge and Evidence		(100,000)
Understanding the psychosocial determinants of psychological health and wellbeing for veteran families in the UK. Queen's University Belfast.	Knowledge and Evidence	28,761	-
A Roadmap to ensure achievement of No Homeless Veterans. The Riverside Group Limited on behalf of the Cobseo Housing Cluster	Influence and Convening	46,947	
A Comparative Study: Common Mental Health Disorders in the Veteran & Non-Veteran Populations. Chester Uni*	Knowledge and Evidence	110,987	
Examining and mapping the support needs of female veterans in the UK. King's College London	Knowledge and Evidence	220,066	
Exploring Suicidality in Northern Ireland's Veterans. Queen's University Belfast*	Knowledge and Evidence	130,659	
Exploring veterans physical and mental health needs: the use of the Clinical Practice Research Datalink, King's College London	Knowledge and Evidence	164,050	
FiMT Research Centre	Knowledge and Evidence	2,500,000	
Improving life skills in the UK Armed Forces. QinetiQ	Knowledge and Evidence	174,127	
Influences on alcohol consumption among partners of UK military personnel/veterans, King's College London*	Knowledge and Evidence	96,755	
Mental health and wellbeing of UK Gurkha veterans. King's College London *	Knowledge and Evidence	152,058	
Phase 2 Feasibility Pilot RCT for Restore & Rebuild (R&R): A Psychological Treatment for Moral Injury. King's*	Knowledge and Evidence	261,941	
Pride in Veterans Standard (PiVS) – Early Intervention for LGBT+ Veterans. Fighting with Pride	Capacity Building	83,690	
SCiP Alliance Funders' Forum – Support for service children a proposed scoping report. Directory of Social Change	Knowledge and Evidence	49,762	
The Experiences and Support Needs of Veterans Living with Dementia in their Own Homes. University of Manchester	Knowledge and Evidence	102,561	
Understanding The Patterns Of Serious Offending Among ex- Service Personnel. Probation Institute. Additional Award.	Knowledge and Evidence	2,116	
University of Sunderland	Collaboration and Leadership	(2,941)	
Clore Social Leadership	Collaboration and Leadership	(23,645)	
Sub-total – grant awards		4,348,302	1,660,514
Other costs related to grants awarded		84,933	145,304
Total costs of grant making		4,433,235	1,805,818

Notes to the financial statements

For the year ended 31 December 2022

6 Net income/(expenditure) for the year

	2022	2021
	£	£
This is stated after charging / crediting:		
Depreciation	–	1,440
Auditor's remuneration (excluding VAT):		
▪ Audit	9,250	7,650
Advisor's fees and expenses (Protector)	15,600	15,000
Operating lease rentals		
▪ Property	19,799	77,722
	<u>19,799</u>	<u>77,722</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2022	2021
	£	£
Staff costs were as follows:		
Salaries and wages	565,626	567,344
Social security costs	58,369	57,912
Employer's contribution to defined contribution pension schemes	37,261	30,986
Death in Service benefit	2,696	4,723
Other Staff costs	3,410	2,919
	<u>667,362</u>	<u>663,884</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022	2021
	No.	No.
£70,000 – £79,999	–	1
£90,000 – £99,999	1	2
	<u>1</u>	<u>2</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £140,832 (2021: £122,783).

The charity directors were not paid or received any other benefits from employment with the charity in the year (2021: £nil). No charity director received payment for professional or other services supplied to the charity (2021: £nil).

Directors' expenses represents the payment or reimbursement of travel and subsistence costs totalling £2,236 (2021: £772) incurred by 3 (2021: 3) members relating to attendance at meetings of the directors.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2022	2021
	No.	No.
Raising funds – investment management	0.9	1.0
Governance	2.5	2.7
Knowledge and Evidence	6.3	4.4
Collaboration and Leadership	–	1.0
Influence and Convening	0.1	1.0
Capacity Building	–	0.4
	<u>9.8</u>	<u>10.5</u>

9 Related party transactions

The value of the related party transactions is £3,679.61k (2021: £742.65k). Full details of this figure is given on pages 19–20 of the Directors' Annual Report.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Software £	Total £
Cost		
At the start of the year	14,400	14,400
Additions in year	–	–
At the end of the year	<u>14,400</u>	<u>14,400</u>
Depreciation		
At the start of the year	14,400	14,400
Charge for the year	–	–
At the end of the year	<u>14,400</u>	<u>14,400</u>
Net book value		
At the end of the year	<u>–</u>	<u>–</u>
At the start of the year	<u>–</u>	<u>–</u>

The above asset relates to a CRM system that was purchased in 2014. This was brought into use in July 2016 and was depreciated over 5 years. It is used solely for charitable purposes.

Notes to the financial statements

For the year ended 31 December 2022

12 Listed investments

	2022 £	2021 £
Fair value at the start of the year	20,006,030	23,725,590
Additions at cost	4,351,763	4,688,949
Disposal proceeds	(4,766,825)	(10,212,294)
Net gains on change in fair value	(2,607,896)	1,803,785
	16,983,072	20,006,030
Cash held by investment broker pending reinvestment	2,691,630	6,026,437
Fair value at the end of the year	19,674,702	26,032,467

Investments comprise:

	2022 £	2021 £
Fixed Interest Bonds	3,539,017	2,862,269
UK Shares listed on the London Stock Exchange		1,603,888
Non UK Shares listed on the London Stock Exchange		11,224,910
Hedge Funds		431,876
Equities	9,302,889	
Property Funds & Trusts	921,273	1,106,960
Alternative Assets	1,497,852	1,895,142
Liquid Funds	4,413,671	6,907,422
	19,674,702	26,032,467

13 Debtors

	2022 £	2021 £
Prepayments	21,837	21,662
Cycle to work scheme and season ticket loans		133
	21,837	21,795

With the exception of listed investments, all of the charity's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 14 and 15 below.

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	20,940	9,541
Taxation and social security	15,801	19,318
Accruals	24,000	7,570
Grants payable (Note 5)	2,414,769	2,827,601
Other creditors	5,083	5,707
	2,480,593	2,869,737

15 Creditors: amounts falling due after one year

	2022 £	2021 £
Grants payable (Note 5)	2,579,581	1,022,760
Grants are paid in line with agreed timetables and are payable:		
In less than one year	2,414,769	2,827,601
Between one and five years	2,579,581	1,022,760
	4,994,350	3,850,361

16a Analysis of net assets between funds (current year)

	Endowment funds £	General funds £	Total funds £
Tangible fixed assets	–	–	–
Investments	19,674,702	–	19,674,702
Net current liabilities	(1,718,332)	–	(1,718,332)
Long term liabilities	(2,579,581)	–	(2,579,581)
Net assets at the end of the year	15,376,789	–	15,376,789

16b Analysis of net assets between funds (prior year)

	Endowment funds £	General funds £	Total funds £
Tangible fixed assets	–	–	–
Investments	26,032,467	–	26,032,467
Net current liabilities	(1,912,196)	–	(1,912,196)
Long term liabilities	(1,022,760)	–	(1,022,760)
Net assets at the end of the year	23,097,511	–	23,097,511

17a Movements in funds (current year)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
Endowment funds	23,097,511	(2,308,202)	–	(5,412,520)	15,376,789
Total endowment funds	23,097,511	(2,308,202)	–	(5,412,520)	15,376,789
Unrestricted funds:					
General funds	–	–	(5,412,520)	5,412,520	–
Total unrestricted funds	–	–	(5,412,520)	5,412,520	–
Total funds	23,097,511	(2,308,202)	(5,412,520)	–	15,376,789

17b Movements in funds (prior year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
Endowment funds	23,676,681	2,168,344	–	(2,747,514)	23,097,511
Total endowment funds	23,676,681	2,168,344	–	(2,747,514)	23,097,511
Unrestricted funds:					
General funds	–	–	(2,747,514)	2,747,514	–
Total unrestricted funds	–	–	(2,747,514)	2,747,514	–
Total funds	23,676,681	2,168,344	(2,747,514)	–	23,097,511

Purposes of endowment funds

The expendable endowment fund provided by the Big Lottery Fund will be used over a 20 year period to support the charitable activities of the Trust. In accordance with the Trust Deed, the whole of the Trust Fund and Income will have been applied in furtherance of the charitable objects by 28 November 2031.

18 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2022 £	2021 £
Less than one year	13,070	7,721
	13,070	7,721

19 Corporate Trustee

Forces in Mind Trust is managed by a sole corporate trustee which is FIM Trustee Limited, registered company no. 07855145. Forces in Mind Trust is used to disburse funds for charitable purposes or activities. All activities take place within the Trust and are directed by the Trustee, FIM Trustee Limited.

FORCES IN MIND TRUST

England & Wales - Charity number 1145688

Accounts

Charity number: 1145688

Forces in Mind Trust

Report and financial statements

For the year ended 31 December 2021

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Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2021

Charity number	1145688	
Registered office	Alexandra House St Johns Street Salisbury SP1 2SB	
Operational address	Mountbarrow House 6-20 Elizabeth Street London SW1W 9RB	
Country of registration	England and Wales	
Trustee	FIM Trustee Ltd	
Principal staff	Ray Lock CBE	Chief Executive (until June 2021)
	Mike Ellicock	Chief Executive (from June 2021)
	Tom McBarnet	Director of Programmes
	Caroline Cooke	Head of Policy
	Rodrigo Voss	Operations Manager
	Kirsteen Waller	Health Programme Manager
	Clare Crookenden	Grants Manager
Bankers	Barclays Bank UK PLC 1st Floor 27 Soho Square London W1D 3QR	
Solicitors	Wilsons Solicitors LLP Alexandra House St Johns Street Salisbury SP1 2SB	

Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2021

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108–114 Golden Lane
LONDON
EC1Y 0TL

Investment Managers Cazenove Capital Management Limited
1 London Wall Place
London
EC2Y 5AU

Sarasin and Partners
Juxon House
100 St. Paul's Churchyard
London
EC4M 8BU

The Forces in Mind Trust has a single corporate Trustee, FIM Trustee Limited.

The Directors of FIM Trustee Limited during the period 1 January 2021 to 14 June 2022 were:

Chair	H J R Pung	Chair of the Board
Director	K Alpin	Member of the Programmes Committee (from 7 June 2021)
Director	A Bell	Member of the Finance and Investment Committee
Director	R S Campbell FCA	Chair of the Finance and Investment Committee
Director	C Elliot	Member of the Finance and Investment Committee (from 7 December 2021)
Director	R P Harries	Chair of the Programmes Committee
Director	General Retd Sir John C McColl KCB CBE DSO	Member of the Governance Committee (resigned (31 December 2021)
Director	K McCullough	Member of the Programmes Committee (from 7 June 2021)
Director	D Mills	Member of the Programmes Committee
Director	Professor D Murphy	Member of the Programmes Committee

Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2021

Director	N Pope	Member of the Governance Committee (from 1 January 2022)
Director	A S D Reding	Member of the Programmes Committee
Director and Deputy Chair	N J Roberts	Member of the Governance Committee and Deputy Chair of Board
Director	Major General Retd M J Rutledge CB OBE	Member of the Finance and Investment Committee (resigned 30 November 2021)
Director	A C Ward	Chair of the Governance Committee

The Trust's Patron is Admiral of the Fleet Lord Boyce KG GCB OBE DL.

The Trust's Honorary President is Air Vice-Marshal Retd A J Stables CBE.

Chair's Foreword

It has been ten years since the formation of the Forces in Mind Trust. Over that period, we have made a considerable impact to improve the transition journey for ex-servicepeople and their families and help them to live fulfilled civilian lives. Whether through our initial Transition Mapping Study, providing mental health support for veterans through empirical research, examining support to veterans navigating the benefits system, assessing the delivery of the Armed Forces Covenant, or supporting the creation of the UK's first Veterans' Strategy, the Trust has played an instrumental part in improving the environment for ex-servicepeople and their families in all four nations of the UK. These, and many more examples of our contributions are featured in our [Evidence into Impact: Forces in Mind Trust Impact Report 2011-2021](#), and I would highly commend it to you.

But our impact has not been limited to our early years. Over the past twelve months, the Trust has been busy continuing to assist in better understanding and improving the transition journey. In May 2021, we published *Lifting Our Sights* looking at long-term trends to 2030 and beyond—and their impact on transitioning servicepeople and their families. We also funded several surveys to provide strategic insights into the Armed Forces Charity Sector; these sectoral reports provide an authoritative view of "ground truth" about the sector and have allowed our partners in the Confederation of Service Charities (Cobseo) to demonstrate their value and access increased funding from government. We have also engaged with the new Minister for Defence People and Veterans as well as the new leadership and growing team in the Office for Veterans' Affairs, and we look forward to working with them to support the delivery of the new Veterans' Strategy Action Plan.

Our operating environment has changed significantly from our beginnings ten years ago. There is now considerably more funding for and attention on veterans' issues and our understanding of the transition journey is much improved. Going forward, the role of the Forces in Mind Trust will also change in subtle ways. We will commission less research in areas that others provide core funding for; instead, we will focus on 'gaps' in research areas and will leverage our position as a trusted knowledge partner to build stronger networks and convene effective partnerships around the transition journey. We will also focus efforts to better understand where certain groups within our diverse armed forces community may have suffered additional disadvantage and how to best address this.

We also welcomed a new Chief Executive for FiMT in 2021; Mike Ellicock has brought a fresh energy and experience in driving policy change to the role, and we are delighted that he is part of the team. We also recognise and celebrate all of the contributions that our departed Chief Executive, Ray Lock, brought to the Trust. FiMT's demonstrated impact and our high standing in the Armed Forces community is very much due to Ray's leadership and strategic foresight, and I am very grateful for his friendship and the rich legacy that he has left behind for the Trust to further build upon.

In addition to Ray's departure, we also said goodbye to two longstanding directors in John McColl and Martin Rutledge; both have been instrumental in keeping the Trust focused on our ultimate beneficiaries as well as articulating the value FiMT brings to the Armed Forces Charity sector and pushing us to consider how this will be sustained in the longer-term.

We welcomed four new Directors to the Trust in the past year. Katie Alpin and Kate McCullough have already been making strong contributions to board deliberations and in our Programmes Committee, and I also look forward to working with Nick Pope and Chris Elliot as our newest Cobseo-nominated directors.

In 2021, Simon Martin completed a ten-year term as our Founding Protector. Working with a Protector was a new experience for me when I joined the Trust over five years ago, and it has been a real pleasure working with Simon in his role, where he has simultaneously managed to guard the Founder's interests in the Trust while adding tremendous value through timely questions, wise advice, and an unassuming but fierce intellect. We will miss his contributions, but I am equally delighted that, following a comprehensive search process, the National Lottery Community Fund has appointed Alison Paines as the new FiMT Protector. Alison has already immersed herself into the Trust with energy and inquiry, and I have every confidence that she will be another great addition to the FiMT team.

In addition to John, Simon, Martin, and Ray, I would like to express my thanks and appreciation to everyone in the Forces in Mind Trust team—staff, Protector, board directors, and lay advisors. Despite continued challenges in our environment, they continue to carry out their responsibilities with integrity, professionalism, and dedication. Their efforts are hugely valued.

2022 promises to be another year of transition for the Trust. The Forces in Mind Trust Research Centre will move to a new home, having been successfully operated by the Veterans and Families Institute at Anglia Ruskin University for the past five years. Professor Mike Almond and Director Alex Cooper have played an instrumental role in establishing the Centre as an authoritative hub for research pertaining to ex-servicemembers, and their advice and expertise have been pivotal in helping the Trust commission and review important research projects.

I will also step down as Chair at the end of the year, having served for six years. I look forward to welcoming my successor to the role and am confident that they will find it every bit as fulfilling as I have, as the Forces in Mind Trust continues to help ex-Servicepeople and their families make successful and sustainable transitions from the Armed Forces.

H J R Pung
Chair, Forces in Mind Trust

Introduction

The Directors of the Trustee (FIM Trustee Limited) present their Report, together with the audited financial statements of Forces in Mind Trust for the year ended 31 December 2021.

Reference and administrative information set out on pages 1 to 3 forms part of this report. The financial statements comply with current statutory requirements, the charity's trust deed and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

The Directors would like to express their gratitude for the continued support and engagement of our Patron, Lord Boyce and Simon Martin, the Trust's Protector until November 2021, whose final report is included below. We also welcome our new Protector, Alison Paines, who joined us in December 2021.

Comment on Protector's Report

The Protector was appointed in November 2011 by the Big Lottery Fund; his role and responsibilities are fully described in his Report. The Protector's attendance at Board and a selection of Committee meetings contributes positively to the Trust's development, and his considered advice complements the institutional memory he retains.

Objectives and activities

Purposes and aims

Forces in Mind Trust (FiMT, or the Trust) is a registered charity which has as its charitable aims:

The prevention and relief of poverty, the protection of mental and physical health and the relief of sickness and need amongst serving and former serving members of the Armed Forces by means of the provision of mentoring, services, facilities and equipment to support their treatment, rehabilitation, resettlement, education, training and employment and thereby support their transition to civilian life;

and

The protection of the mental and physical health, and the relief of poverty of the families and dependants of serving and former serving members of the Armed Forces in all cases for the benefit of the public.

The Directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities and are confident that the Trust's activities meet the Charity Commission's requirements with regard to public benefit. The Directors review the aims, objectives and activities of the charity each year to ensure they remained focused on its stated purposes.

2021 remained dominated by Covid-19 and a strong intent to double down on supporting our mission despite the restrictions of the pandemic, and also of maintaining continuity of operations in what was anticipated to be a challenging year.

In lieu of the annual February Strategy Awayday, the Board convened an online strategy forum to review the Trust's work across our seven Programme areas and whether we were prioritising them appropriately, and what more could be done to improve their effectiveness and impact. Overall, there was recognition that the Trust needed to pick out 'the signal from the noise' in a complex and crowded landscape and change tack as necessary. One of the Trust's key tenets is agility, and there was a strong desire to retain short to medium-term 'nimbleness'. Balancing this, creating greatest long-term impact was felt most likely to require a degree of continuity of approach, and changes needed to be 'thoughtfully nuanced'. The Chair concluded that deliberations be rolled forward to a full, in-person forum in July under the new Chief Executive.

At the July Strategy Awayday, the Board discussed two key areas emerging out of the February forum: how best to address issues relating to equality, diversity and inclusion in all our future work, and implementation of the Third Age strategy in the coming years. Reflection of themes of EDI in all the Trust's work was accepted as important in order to more demonstrably acknowledge and recognise these principles' significance in wider UK society. With respect to the Trust's Third Age strategy, the value of research and a sound evidence base was widely acknowledged as important in establishing what follow-on activity could be more or less effective. It was concluded that the Trust should continue to seek out impactful activity and intelligently work in areas where it can do the most good.

The July forum was the first opportunity for the new Chief Executive, Mike Ellicock, to outline his initial thoughts to Trustees. The guiding framework for 2021 grant awarding activity set out in last year's Trustees Annual Report has been maintained, with slight adjustments to the definition of activity. Grant awarding activity is now entitled External Spend rather than Mission Spend, to acknowledge the fact that 'internal' spend i.e. staff time spent influencing and convening is also central to us achieving our mission.

Achievements and performance

The Trust's main activities in the course of the year are described below. All charitable activities focus on ex-Service personnel and their families and are undertaken to further our charitable purposes for the public benefit.

Grants and Commissioning Plan

During the period, 14 grant awards were made (previous period 31), listed below. Other costs related to grants awarded totalling £145,304 (2020: £215,220) are also shown. Of these 14 awards, 7 (20) were for Knowledge and evidence, 4 (5) were for Influence and convening, 1 (2) was for Collaboration and leadership and 2 (4) were for Capacity building.

Full details of amounts and types of grants can be found at Note 5 to the financial statements and on the Trust's website (section 'who we have helped' <http://www.fim-trust.org/who-we-have-helped/>). Grants made in 2021 were:

- Veterans Work: The Podcasts. Deloitte. CE Award.
- Soldiering On Awards 2021. X Forces. CE Award.
- Armed Forces Charities Expanding Knowledge and Evidence, 2021–2023. Directory of Social Change
- Non-UK Personnel, Veterans and Families. Anglia Ruskin University
- Our Community, Our Covenant 3: Examining the impact of the Armed Forces Covenant. Shared Intelligence
- Ex-Service personnel in the Criminal Justice System in England, Wales and Scotland. Nacro
- Changing our Approach to Veterans' Employment through Trade Associations and Membership Bodies. X-Forces
- Chamber Military Network. Black Country Chambers of Commerce
- Contact Group Operational Resources Years 2022–2024. Contact Group
- No Homeless Veterans. Stoll on behalf of the Cobseo Housing Cluster
- Understanding the impact of serving within the UK Armed Forces for the Indian and West Indian veteran populations. University of Chester
- Non-UK Personnel, Veterans and Families. Anglia Ruskin University. Additional Award
- Windsor Leadership Programmes, Windsor Leadership Trust
- Pioneer Programme – MDMA-Assisted Psychotherapy Research for treatment-resistant PTSD. Supporting Wounded Veterans and King's College London*

*Award made through the Mental Health Research Programme

The impact of these grant awards will mainly be felt in subsequent years. The impact of previous years' grant awards, and also where appropriate those listed previously, is described in the following section on Impact and Influence.

Over the past decade, both through funding projects and influencing work, the Forces in Mind Trust team have significantly influenced policy and practice to support ex-Service personnel and their families to make a successful and sustainable transition. The Board agreed that the Trust's activities should not be judged only through its self-imposed notional target of £2.6 million external spend, but by its impact. The need to reflect more on the impact of our work (rather than just activities) is highlighted and addressed in our '[Evidence into Impact: Forces in Mind Trust Impact Report 2011–2021](#)', covering the first ten years of our work.

The total value of the 2021 awards, less other costs related to grants awarded was £1.822 million (previous period £4.163 million). Underspent funds totalling £161.5k were returned to the Trust from previous years' awards, and a previously awarded grant of £100k was cancelled due to the impact of Covid-19.

Total charitable expenditure for the year amounted to £2.614 million (previous period £5.121 million).

Oversight of our Programmatic Approach has been provided by Programme Committee-led 'deep dives' of which Health, Employment, Enablers, Finance and Relationships were conducted through the course of the year. Two programme reference panels into Employment and Finance were conducted as part of our strategy of wider stakeholder engagement.

Exemplifying the principle of commissioning work where the Trust saw the strongest opportunities for impact, two specific commissions together amounting to £465,590 were awarded to examine the impact of the Armed Forces Covenant and to identify veterans in the criminal justice system and their support needs.

2021 was also the first year of the Trust's renewed commitment to a Mental Health Research Programme (MHRP) (the first being from 2015–2020). MHRP(2) is a 5 year commitment to continue to support veterans' mental health up to £500k p.a. (i.e. £2.5 million over 5 years). The 2021 MHRP was severely impacted by the pandemic, permitting only one meeting of its Steering Group, and disrupting what has been previously an active flow of research funding requests. Nevertheless, the MHRP awarded £250,000 to MDMA assisted therapy research for treatment resistant PTSD in veterans.

The most significant 2021 commissioning activity has been the tendering and selection of a preferred bidder for the FiMT Research Centre, an award valued at £2.5 million over 5 years. Invitation to tender took place in March with an interview and selection panel convening in July. A public statement of a RAND and KCL consortium being the preferred bidder was made in September. The new contract for the Research Centre will commence on 12 September 2022, and the Autumn 2021 has seen intense activity, led by the Trust, to coordinate transition activity and continuity of output so that the handover from the current incumbent, Anglia Ruskin University, to the new consortium is as smooth as possible.

Impact and Influence

Impact

The Trust once again played a key role in developing policies and supporting that contributed to improvements in the lives of the Armed Forces Community. This impact was achieved across the Trust's seven Programmes, with some examples listed here.

Despite the obvious constraints in being able to conduct influence and engagement activity as before, the Trust's has continued to publish reports and make important findings and recommendations on public policy and service delivery, utilising virtual and online means to the fullest extent. This year has seen publication of a full suite of policy statements on all our programmes, clearly setting out our change objectives and ambitions. Three particular areas of impact are worthy of note:

Mental Health Research Programme – four significant reports have emerged from the MHRP in 2021: a qualitative assessment on the impact of compulsory drug testing in the Armed Forces and of substance misuse amongst Service leavers; the much anticipated report on the evolution of PTSD amongst veterans from the Iraq and Afghanistan campaigns; and two widely welcomed reports into the impact on veterans' health of gambling, and of the impact of intimate partner violence and abuse among civilian partners of UK military personnel. The Trust has also continued to benefit from its partnership with the Centre for Mental Health, who provide the MHRP Steering Group Chair, and which has conducted a policy review of veterans' mental health needs in order to inform future programme planning. The MHRP also continues to support, via the Trust's wider Health Programme awards, the critical coordinating activity of Contact Group and its work in cohering the efforts of statutory and charitable organisations in improving support for veteran mental health. Of note, the Health Programme has also funded an important feasibility study into partnering of service charities in order to be able to bid for NHS commissions underpinning OP COURAGE services.

The Impact of Future Trends on Transition – the Trust's ground-breaking study and report *Lifting Our Sights*, examining the impact of future trends on transition from military to civilian life to 2030 and beyond, was published in May. This report has provided the basis for discussion at dedicated forums at both Labour and Conservative party conferences and attracted the interest and attention of the Secretary of State for Defence and Minister for Defence People and Veterans. In a significant year which has seen increased pressure placed upon the resources of service delivery charities, and continued interest from media and Government the need to support veterans and their families, this report has boldly sought to set headline goals for Government and others to attain in the next decade and provided a tool kit to help facilitate planning activity at charity, local authority, business and Government level in order to prepare and plan ahead.

Armed Forces Charity: Expanding Knowledge and Evidence 2021–23 – the Trust's previous funding of reports providing strategic insight into the Armed Forces charity sector and detailed, focused reports on individual aspects such as housing, employment, finance etc have been widely recognised and valued. Where nothing existed before, these reports continue to provide impartial and objective analysis of the scale of charitable provision and its relationship to statutory provision. 2021 saw a further investment into this long-term commitment through funding of Cobseo membership surveys, commissioning of a new Insight report for 2023 and new methods of information presentation. The value of this, and earlier related investment was arguably immediately evident in the ability of the Sector to lobby effectively for continued pandemic relief funding as well as for new money to support Afghanistan and wider health related initiatives.

Influence

2021 saw the Government's Office for Veterans' Affairs acquire new leadership and new impetus in funding both more staff and renewed activity of direct relevance to the Trust's mission. A newly in post Minister for Defence People and Veterans has also invigorated activity. The Trust has committed considerable effort to assist the Office for Veterans' Affairs in understanding its environment and our approach to addressing our similar mission. It is therefore gratifying to see the newly updated Veterans' Strategy Action Plan, which the Trust contributed much to the generation of original edition and the Strategy itself, reflect the Trust's work in area of employment, criminal justice, housing, transition support and wider support for the Armed Forces Covenant.

Both Strategy Awayday forums have emphasised trustees' interest in engaging in preventative strategies that set the conditions for successful and sustainable transition for veterans and their families. The MoD's most important contribution is their contract for the Career Transition Partnership, delivered by Right Management, which is due for re-let in 2023. The significance of the Trust's earlier work on transition, and not least the publication in Autumn 2021 of its Longer-Term Employment Outcomes study, has led to the Trust participating as a knowledgeable and influential stakeholder in the MoD-led consultation process underpinning design of the new CTP contract.

More broadly, the Trust has provided valued submissions to the Females in the Military Sub Committee of the Defence Select Committee and supported awards to two potentially significant projects that are examining the lived experiences of Non-UK veterans serving in the UK Armed Forces and their transition into civilian life.

Much of the success of the Trust is achieved by influencing others to adopt policies and adapt service provision in accordance with evidence-based recommendations. Consequently, the Trust places a high premium on its network and its ability to reach into key decision makers. This requires continual external staff engagement. During the year, the Trust engaged at Ministerial levels in London, Cardiff and Edinburgh, and with the Veterans Commissioners in Scotland and Northern Ireland.

In academia, the Trust once again played an important convening role through its support of the King's College London annual Veterans' Mental Health conference, a truly global and world-leading event where the Trust's research projects formed the backbone of the programme.

A fuller description of the Trust's impact, influence and engagement can be found in the 2021 Impact Report <http://www.fim-trust.org/reports/>

Beneficiaries of our services

The beneficiaries of the Trust's services are serving and former members of the United Kingdom's Armed Forces, and their families. The Trust's strategy of achieving impact means that benefit is gained not by the direct provision of welfare, relief in need or other grants, but by the improvements made to the support and preventative work provided by the public, private and voluntary sectors.

Financial review

At the end of 2021 the Trust held total unrestricted charity funds of £23.098 million (2020: £23.677 million). Despite finishing on a high, concerns about global market volatility remain due to effects of the Covid-19 pandemic. The Russian invasion of Ukraine, added to concerns of increased interest rates and inflation, has further affected markets volatility and the portfolios managed by Cazenove and Sarasin had lost £1.2m by March 2022.

In June 2020 the Board had decided to halt the replenishment of 'cash instruments' required to maintain the Trust's current level of activity and grant awarding for a 2-year period without drawing down from the medium-term investment portfolios. Once portfolios had sufficiently recovered (in February 2021) the Board instructed both investment managers to top cash instruments funds up back to previous levels. At the close of 2021, a total of £6.026 million (2020: £4.533 million) was held by the investment managers in cash/cash instruments. This is in addition to the instant access bank account holdings, described in the subsequent section on Reserves.

Draw down from medium-term funds totalled £4 million (2020: £3.5 million), and this, combined with stock market gains, led to the value of the portfolios managed by Cazenove and Sarasin reducing by £2.225 million to £ 26.032 million (2020: £28.258 million). As a result of drawdowns, investment income fell to £364.6k (2020: £455.7k). With the Trust required to have spent out by November 2031, the Directors are satisfied that the planned Grants and Commissioning Plan, incorporating costs associated with monitoring and evaluation, is currently set at an appropriate level and that the Trust's other (ie non-grant awards) costs of £942k (2020: £889.6k) represent good value and reflect the Board's strategic intent to invest in increasing the Trust's impact.

The Board asked the Finance and Investment Committee to conduct a review of investment management and to recommend any changes to the current arrangements. This work on 'reconfiguring the endowment' started in November 2021 and concluded in March 2022, and following 11 initial proposals, a selection panel shortlisted and interviewed four potential managers. The Board is content that we have had a thorough and very useful examination of alternatives and that Sarasin represents the best option to best manage medium-term investments, limit the impact of stock market volatility, and ensure the Trust continues to gain maximum impact from its resources.

Principal risks and uncertainties

During the course of the year, the Directors considered the major risks to which the Trust is exposed and the systems that it has to mitigate them. The Directors concluded that there are policies, procedures and systems in place to deal with the identified risks, which have been captured and are routinely managed through a comprehensive Risk Register.

The Board has assessed that the major strategic risk to the Trust is that it fails to have delivered sufficient impact at the end of its 20-year life. It is controlling that risk by further implementing its programmatic approach, and by taking early steps to consult, identify and plan for when the current endowment is spent out.

The Board has assessed that the major legal and regulatory compliance risk to the Trust is failure to keep abreast of regulatory changes. It is controlling that risk by a combination of advice and updates from professional advisers including Cobseo and other third sector organizations, and technical knowledge of the Board and staff, both of whom undergo regular relevant training. An internal Conformance Review Programme continues to identify and review conformance with policies following a risk-based approach.

The Board has assessed that the major operational risk to the Trust is staff turnover and/or unexpected absence resulting in under-staffing and loss of corporate knowledge. It is controlling that risk by enhancing the employment 'offer' and by investing in staff development and so providing contingent capacity across the team. In December 2021 the Board reviewed and approved changes to its remuneration policy to ensure that the annual salary benchmarking was optimised to the size of the Trust.

The Board has assessed that the major financial risk to the Trust is that equity market volatility causes encashment of medium-term investments at low values in order to maintain planned expenditure. It has controlled the risk through its investment policy as described later, by proactive engagement with the Trust's two Investment managers, and by the membership of two lay advisers on the Finance and Investment Committee with investment expertise.

The Board has assessed that the major governance risk to the Trust is insufficient Board capacity or skills. It is controlling that risk by regularly reviewing the Board succession plan and its matrix of skills and experience.

Over the years, the main uncertainty faced by the Trust has been the level of grant and commission awards that will be made over the remainder of the Trust's 20-year life. The Board is comfortable with the current level of spending, noting that the Trust has produced 10 years' worth of research that could be exploited, and that well-targeted Executive team activity could have as much impact in coming years as money spent on grants. The Board agreed that the Trust's activities should not be judged by how much money was spent but by its impact.

Investment policy

The current Investment Policy is based upon the ability to fund 24 months of operations and grant making at full planned rates without drawing down on medium-term investments. This equates to approximately £6m. Following the reconfiguration of the endowment exercise and the appointment of an Investment Manager for at least the next 5 years, a new policy is being developed. During 2021 there were two objectives for each Investment Manager:

- To maintain a combined total of £6m in cash instruments in separate segregated mandates. This was achieved since objective was re-instated in February 2021.
- To generate a real return of 3% annually over a rolling 5-year period from the remaining medium-term investments, after expenses and using CPI as the inflation measure. Over the last 12-month period, returns were positive with Cazenove at 3.9% (2020: 2.8%) and Sarasin at 1.4% (2020: 7.2%). Since inception, overall performance against target has been 38.5% for Cazenove and 59.8% for Sarasin.

The Trust's Grants and Commissioning Plan and operating costs are funded both by investment income and cash withdrawal. This requires both Investment Managers to forecast investment income from (reducing) capital accurately and FiMT to give proper notice to Investment Managers of projected cash withdrawals required in the following 12 months at least.

At the beginning of 2022, having taken into account work on 'reconfiguring the endowment', the Board is working on a formal investment policy statement for 2022 in accordance with Charity Finance Group best practice.

Reserves policy and going concern

The Trust's reserves policy is to maintain 24 months of operating costs, committed grant payments, and future grant making at the full strategically planned rates in a combination of an instant access bank account and held by the Investment Managers as cash/cash instruments to ensure FiMT's ability to fulfil its Grants and Commissioning Plan. The balance of the funds is held by the Investment Managers in medium-term portfolios in accordance with the Investment Policy. The Directors consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Cash held in the instant access bank account is calculated so as to meet monthly cash flow forecasts and can be replenished at 24 hours' notice from Investment Managers' cash/cash instruments. At 31 December 2021, cash flow for January/February 2022 was forecast to be £747k and instant access bank account holdings were £936k (31 December 2020 – £477k)

The Directors do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Directors are aware that there are net current liabilities, but this is principally due to timing and the fact that liabilities are recognised in full for

the following 12 months but there is no corresponding income recognised. In addition, the Trust has significant resources available in fixed asset investments which can be drawn down as required to fund working capital.

Plans for the future

The Trust held an in-person Annual Strategy Review (Awayday) in early February to discuss how can the Trust achieve most impact in a complex and rapidly changing landscape in the coming 3–5 years. The discussions benefitted greatly from the attendance, input and active engagement of Jessie Owen, Director of the Office for Veterans' Affairs and Anna Wright and Sonia Howe, Chief Executive and Head of Policy respectively of the Armed Forces Covenant Fund Trust. Neither organisation existed when the Trust was established yet they are now key stakeholders to work alongside if we are to maximise our impact in the coming years.

Our plans for 2022 are articulated in a one page '2022 Priority Activities' summary. Given the complex landscape and the breadth and depth of the Trusts work across seven Programme areas, this summary makes it easier for the Board, the Executive team, and also potentially for external stakeholders to understand what we are intending to do in the coming year. It will also be useful for reporting back on progress – whilst acknowledging that we need to retain flexibility to react to opportunities that are not captured on this summary, if we have the capacity to do so.

Following airing at the September and December 2021 Board meetings, the Trust has complemented the current articulation of our Vision and Mission, Change Mechanisms and Programmatic approach by including a new 'Ways' framing to focus on the barriers to successful transition, what works to address those barriers and then how we use that evidence to bring about change that has an impact on the ground. We believe that the following articulation of Ends, Ways and Means represents a conceptually coherent strategic framework for the Trust's activity for the coming years:

Ends:

Our Vision is that all ex-Service personnel and their families lead fulfilled civilian lives.

Our Mission is to enable ex-Service personnel and their families to make a successful and sustainable transition to civilian life.

Ways:

We deliver our Mission by working collaboratively with others to:

1. Identify the barriers to successful transition.
2. Find out what works to address these barriers.
3. Use this evidence to bring about change that has an impact on the ground.

Means:

In practice, this means that we:

1. Fund work that builds our collective knowledge of the barriers to successful transition and of the evidence of what works to address them.
2. Seek to influence relevant stakeholders to help to bring about change on the ground, including through convening where appropriate.
3. Seek to collaborate with relevant stakeholders to bring about change and provide leadership to do so, where necessary.
4. Fund capacity building where this is what is required to bring about change on the ground.

We do this across the UK and across the full span of life domains for ex-Service personnel and their families: Health, Employment, Housing, Finance, Relationships, Criminal Justice System, along with a cross-cutting Enabler Programme area, and we utilise our Change Mechanisms across our Programme areas as the 'Means' by which we affect change.

The main effort for 2022 is the successful and smooth transition of the Forces in Mind Trust Research Centre from Anglia Ruskin University to a RAND/King's consortium for a 5-year term from September 2022, with an allocated budget of £2.5 million. Other key activities that feature on the Priority Activities 1 pager include: Establishing a strong relationship with the Armed Forces Covenant Fund Trust whilst strengthening relationships with Cobseo members, the Office for Veterans' Affairs, the Ministry of Defence, the variety of NHS bodies, other government departments and relevant bodies within the Devolved Administrations; continuing to extend the Equality, Diversity and Inclusion perspective into all of our work; engaging with the team leading the Career Transition Partnership re-let; engaging with the Ministry of Defence team developing the Life Skills package for serving personnel; and engaging with the team leading the Ministry of Defence Armed Forces Families strategy.

Structure, governance and management

Forces in Mind Trust is an unincorporated charity registered as a charity on 31 January 2012. The Forces in Mind Trust was established under a sole corporate trustee, FIM Trustee Limited (Trustee), on 21 November 2011 and the Trust Deed was agreed between BIG (the Founder) and Trustee on 28 November 2011. BIG is now known as the National Lottery Community Fund.

All Directors give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Notes 4 and 7 to the accounts.

The Board meets quarterly. The Protector of the Trust also attends Board meetings. The Board has three sub-committees, and has approved Terms of Reference and appointments for each. The Governance (bi-annually) and the Finance and Investment (quarterly) Committees meet regularly to review relevant issues, and to monitor the work of, and provide advice to, the Executive Team. The Programmes Committee assesses and awards grants and commissions to applicants, advises on aspects of the Trust's influence planning and activity, and also supports the

Executive Team as required in this activity. The Programmes Committee may authorise the award of grants for projects up to an agreed limit. Applications for grants outside this envelope or above the project limit, or which the Programmes Committee believes should be seen by the Board, must be assessed first by the Committee and recommendations made to the Board accordingly. All three committees provide a written report to each Board meeting.

Following the 'Positioning for a More Strategic Approach' review in 2020, which saw an increase the Committee's level of financial delegated authority, and the Chief Executive's delegated authority for micro-grants and contingency awards was raised, the formal follow up review was deferred for 12 months due to the number of applications assessed over the period.

Throughout 2021, the Trust continued its Mental Health Research Programme, constituted by a Steering Group under the remunerated chairmanship of the Chief Executive of the Centre for Mental Health. The Steering Group provides expert advice to the Programmes Committee and to the Executive Team, but has no grant awarding authority. One Director also sits in attendance at Steering Group meetings.

The current structure of the Forces in Mind Trust Research Centre is governed by an Executive Committee, chaired by a nominated Trust Director. The Centre's full-time director, a University employee based at Anglia Ruskin University, submits a formal quarterly report to the Board. Both the Director and the Academic Chair of the Research Centre brief the Board in person biannually. The Centre is advised by a strategic panel and an advisory group.

The Governance Committee reviewed a second internal assessment of the Charity Governance Code, following its update in 2020, and considered that the Trust remained fully compliant with the Code.

To continue work on Equality, Diversity and Inclusion (EDI), the Board dedicated a session at its July Strategy day to address the question 'How do we best address issues relating to Equality, Diversity and Inclusion in all our future work?' The Board agreed that it is the Trust's mission to identify and increase understanding of the range of needs of ex-Service personnel and their families, and to ensure that an equitable and inclusive approach is built into both our own decision-making on funding and commissioning, and into our policy influencing activity. It was agreed that the process and rigour applied to developing grant applications and commissions, and to generating research evidence ensures that the full breadth of diversity within the ex-Service community is already considered and reflected in much of our work, but few grant awards have focused on the specific issues of identity and discrimination of Service leavers and their families.

EDI in the context of staff and Board composition was also considered in 2021, and to this end the Governance Committee (GC) considered a paper at their January 2021 meeting, which provided an update on FiMT's, and also Cobseo's approaches to EDI. The GC agreed at that meeting that EDI issues required constant discussion and has become a standing item on the GC's agenda.

From September 2021, the Executive team embarked on a hybrid working policy that saw the return to the Trust's offices in London, although in December that policy had to be suspended due to further government guidance related to Covid-19/Omicron. Even though Directors believe that retaining the sub-lease within Mountbarrow House represent the most cost-effective option, the Executive team plans to consider options for the offices in the first part of 2022. To enable the extended periods of remote working, the Trust has implemented a monthly home working allowance for all employees which also replaced claims for staff mobile phone charges.

Development work regarding the Funders Commitment to Climate Change (FCCC) is currently under consideration. The Funder Commitment to Climate Change recognises that charitable trusts and foundations, such as Forces in Mind Trust, have a crucial role to fulfil in the united effort to mitigate and adapt to the impact of climate change. Across our investments, grant making and operations there may be multiple opportunities to contribute to the prevention and mitigation of the climate emergency. The impact potential here is expansive due to our unique and privileged position as an influential funder working within a large network. It is envisaged that a policy statement and an action plan will be developed in due course.

The Directors have delegated day-to-day running of the Trust to the Chief Executive, Mike Ellicock.

Appointment of Directors

At the start of the reporting period, the Board had 11 Directors, comprising the Chair (an independent Director), 5 Directors who were nominated by Cobseo, and 5 other independent Directors who ensure a wide range of skills and knowledge, listed previously. Two Directors stood down and four were recruited during this period. At the start of 2022, the Board held one vacancy (independent). Directors continue to aim at a Board size of 12 to 13 (5 Cobseo and 8 independent), consistent with Charity Governance Code best practice, and will use the remaining vacancy when appropriate to develop future members and improve diversity.

The Trust recognises and embraces the benefits of having an inclusive organization that makes good use of differences between Directors, staff and external partners. In this context, FiMT recognises such differences can include gender, race, national and ethnic origin, colour, religion, age, sexual orientation, marital and family status, and physical or mental disabilities, as well as differences in political and other beliefs. The Trust ensures that all individuals are provided with equal opportunities and seeks positively to create opportunities for those groups that may be disadvantaged.

Director induction and training

New Directors (four this year) receive induction briefings from the Board and the Chief Executive in accordance with a continuously reviewed programme. Depending upon a new Director's experience, access to legal, trust and military expert briefings are also arranged as required. The Trust meets the full costs of such attendances. Departing Directors (two in 2021) conduct 'exit' interviews with the Board Chair and Chief Executive.

Directors' annual report

For the year ended 31 December 2021

Current Directors are offered attendance at a range of professional development events throughout the year, for which the Trust will pay. In particular, NCVO, ACEVO, ACF, Legal Adviser and Investment manager programmes are highlighted to Directors in the Trust's monthly Newsletter.

The Board reviews its own performance and that of individual Directors, including the Chair. All Directors conduct an annual one-to-one discussion with the Board Chair. The Deputy Chair in turn discusses the Chair's needs. In addition, Directors are strongly encouraged to attend Committees of which they are not members, including the Mental Health Research Programme Steering Group, and it is expected that all Directors will attend a Programmes Committee meeting at least once during each term of office (3 years maximum).

External evaluation of collective Board performance was not considered necessary this year; the presence of the Protector at all Board meetings provided adequate independent review.

Related parties and relationships with other organizations

The Trust has in place robust procedures for handling conflicts of interest. In particular, Directors and staff with a conflict of interest are not present when discussions are held and funding decisions are made in relation to that interest. The Trust maintains a full register of interests, which is brought to Directors' attention at every meeting, and is also available on the organization's website.

ABF – The Soldiers' Charity

The former Chief Executive of ABF – The Soldiers' Charity was also a Director of FIM Trustee Limited until November 2021. The FiMT Protector until November 2021 was also a Trustee of ABF – The Soldiers' Charity. FiMT has a lease with ABF – The Soldiers' Charity for room hire and premises services provided at Mountbarrow House. Rent and service charges in respect of this lease for the year to 31 December 2021 were £ 77,370 (2020: £78,537) and pass-through cost for postal and other services was £7,717 (2020: £6,520). Rent and services remain substantially below market rate and ABF – The Soldiers' Charity continues to act in the Trust's interests in its dealings with the Landlord, Grosvenor Estates.

Barclays Bank UK PLC

A former employee and current shareholder of Barclays Bank UK PLC is also a Director of FIM Trustee Limited. At the year end, £226 (2020: £273) was paid for banking services to Barclays Bank UK PLC and Barclaycard.

Cobseo

The Executive Chair of Cobseo is also a Director of FIM Trustee Limited. Up to 5 members of the Board of Directors of FIM Trustee Limited are nominated by Cobseo and appointed by FiMT. There was one direct transaction between FiMT and Cobseo during the period. At the year end, £570 (2020: £570) membership fee was paid on behalf of FiMT. During the period, Cobseo's Housing Cluster was awarded £ 193,000 for the project 'No Homeless Veterans', coordinated by the Sir Oswald Stoll Foundation, described under Note 5 to the Financial Statements. Payments to Chairman of Cobseo were exclusively for personal expenses associated with his role as a Director of FIM Trustee Limited, and are included within Note 7 to the financial statements.

King's College London – King's Centre for Military Health Research

An Honorary Professor of King's Centre for Military Health Research (KCMHR), which is a part of King's College London (KCL), is also a Director of FIM Trustee Limited. During the period, FiMT awarded a £250,000 research contract (2020: £420,460) to the collaboration between Supporting Wounded Veterans and King's College London, which is described under Note 5 to the Financial Statements. The partnership Rand Europe/Kings College London is also the preferred bidder for the FiMT Research Centre award that is currently being negotiated.

RAND Europe

The President (Chief Executive) of RAND Europe is also a Director of FIM Trustee Limited. One award of 221,483 (2020: £0) was granted to the collaboration Shared Intelligence/RAND Europe/Meri Mayhew Consulting, as described under Note 5 to the Financial Statements. The partnership Rand Europe/Kings College London is also the preferred bidder for the FiMT Research Centre award that is currently being negotiated.

The Poppy Factory

The Chief Executive of the Poppy Factory is also a Director of FIM Trustee Limited. No awards were granted to The Poppy Factory during the period, but it is a current FiMT grant holder.

The Sir Oswald Stoll Foundation

The Chair of Trustees of The Sir Oswald Stoll Foundation was also the Chief Executive of Forces in Mind Trust/FIM Trustee Limited until June 2021. During 2021, Cobseo's Housing Cluster was awarded £ 193,000 for the project 'No Homeless Veterans', coordinated by the Sir Oswald Stoll Foundation, described under Note 5 to the Financial Statements.

Remuneration policy for key management personnel

In March 2016, the Board adopted a formal remuneration policy based upon an incremental salary scale, benchmarked annually using a leading market provider (currently Croner Reward) to cover cost-of-living and market comparators. The Governance Committee recommends to the Board the appropriate award for the forthcoming tax year. In March 2021, the Board accepted the Governance Committee's recommendations, all of which met the Policy requirements. The Policy was formally reviewed during 2021, ahead of the 2022 remuneration review.

In addition to the annual salary review, the Trust also considers other employee benefits, where it is guided by sector comparators. All staff receive death-in-service insurance, and can take advantage of a cycle-to-work scheme and season ticket loan. The annual health screening once again took place in 2021 following a hiatus in 2020 because of Covid-19 restrictions; in addition, all employees still have access to an employee assistance programme and confidential employee hotline. Annual leave at 30 days (plus bank holidays) is above sector average, and the Trust offers flexible working and 'time off in lieu'. The Board uses all these factors to encourage retention, which remains high.

Statement of responsibilities of the Directors

The Directors are responsible for preparing the Directors' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Directors 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 of the charity for that period. In preparing these financial statements, the Directors 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Directors 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. 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 Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors' report has been approved by the Directors on 14 June 2022 and signed on their behalf by:

H J R Pung
Chair of the Board

M Ellicock
Chief Executive

Report of the Protector for the year ended 31 December 2021

Background

I was appointed as the Protector of the Forces in Mind Trust ("FIMT" or "the Trust") in November 2011 for a 5 year term. My appointment was extended in September 2016 for a further 5 years which expired on 28 November 2021. This report therefore covers the period 1 January – 28 November 2021.

I am pleased to note that a new Protector has been appointed by the National Lottery Community Fund ("the Fund"), after an open recruitment process.

Pursuant to the Trust Deed dated 28 November 2011 constituting the Forces in Mind Trust, the Protector is required to prepare a statement for publication by the Trustee (FIM Trustee Limited) in its annual report, explaining the Protector's function, how the function has been exercised and, if appropriate, identifying any areas of administration which require improvement and steps to be taken by the Trustee to effect such improvement.

Protector's Function

The function of the Protector is to ensure that the Trustee administers the Trust properly and to protect the Trust property. The principal objects of the Trust are set out elsewhere in this document. The Trust property consists of a portfolio of investments and cash derived from an original settlement on the Trust by the Fund of £35 million. If necessary, the Protector must report matters of serious concern to the Fund or to the Charity Commission. The Protector therefore has a "watch-dog" role and must monitor the Trustee and prevent it from abusing its powers or breaching its duties. More positively, the Protector must seek to ensure, as far as possible, that the Trust is administered in accordance with the terms of the Trust Deed and give or withhold consent or approval to the exercise of certain powers by the Trustee.

How I have discharged the Protector's function

I attended the three board meetings held during the period 1 January – 28 November 2021. I also joined the Board strategy away day which took place in February 2021 and attended a meeting of the Governance Committee in January 2021. In addition, I had several meetings with, and spoke to, the Chair, other trustees and the Chief Executive of the Trust, as required, during the period under review.

I also gave advice on the interpretation and application of certain provisions in the Trust Deed during the period. I was not required to consider or approve any changes to the constitution of the Trust.

I note that there was a scheduled board meeting in December 2021, shortly after the expiry of my term of office, which the new Protector attended as an observer in advance of her formal appointment to the role.

Protector's report

For the year ended 31 December 2021

Administration and Governance of the Trust

I am satisfied that the Trust was administered in accordance with the terms of the Trust Deed in the period from 1 January – 28 November 2021.

Two trustees stepped down during the course of the year. I am satisfied that there were no factors relating to these resignations that have an impact on the operation or governance of the Trust. Both trustees were originally nominated by the Confederation of Service Charities ("Cobseo"), which has the right to nominate up to 5 individuals for appointment to the Board, and both vacancies have been filled by further Cobseo nominees. In addition, two new trustees were appointed in the first half of the year, following an open recruitment process, during which the trustees were mindful of the need to achieve, if possible, greater diversity on the Board in line with Principle 6 of the Charity Governance Code. The Board has rightly continued to focus on equality, diversity and inclusion over the period.

There are currently 13 trustees in post, 5 of whom were nominated by Cobseo. This ratio preserves an appropriate balance between the independent and Cobseo nominated directors, whilst ensuring that the Trust benefits from the knowledge and sector expertise of the Cobseo representatives.

Covid lockdown and social distancing restrictions resulted in two of the three Board meetings which I attended, and the February Strategy Day, taking place on an online virtual meeting platform. The September Board meeting was a hybrid meeting, with four trustees joining remotely. The Board and the executive team have become accustomed to the virtual meeting environment, but constructive open discussions and effective challenge are, in my opinion, inevitably somewhat inhibited when the Board and executive team are unable to meet face-to-face. Hopefully there will be no such restrictions in the current year.

I am satisfied that there continued to be a proper division between the strategy setting, oversight and monitoring role of the Board and the day-to-day responsibilities of the executive team. There was also an appropriate delegation of authority and workload from the full Board to the three functioning committees of the Board – the Finance and Investment Committee, the Programmes Committee and the Governance Committee – all of which meet regularly. Reports from each of the Committees are presented at each Board meeting.

The Executive Team

I highlighted in my report 12 months ago the recruitment of the new CEO, Mike Ellicock, in December 2020, allowing 6 months for an orderly transition and handover, by the outgoing CEO, Ray Lock. This handover was achieved without any noticeable disruption to the work or output of the Trust. I was pleased to note that the other members of the executive team remained in post following Ray Lock's departure, which ensured continuity.

The appointment of the new CEO has allowed for an objective review of FIMT's programmes and priorities which was at the heart of a second Strategy Day, held in July 2021, which I was unable to attend.

Forces in Mind Trust

Protector's report

For the year ended 31 December 2021

I note that, when necessary due to lockdown and other covid restrictions, the executive team have continued to work effectively and safely from home without any appreciable adverse impact on the Trust's output.

Forces in Mind Trust Research Centre

I reported last year that the Board had undertaken a review of the activities and impact of the FiMT Research Centre as part of the process of determining whether to extend the Trust's contract with Anglia Ruskin University. A formal tender process was initiated in the first half of the year, with a selection panel comprising three independent trustees reviewing tender proposals, meeting applicants and making a recommendation to the Board. Two trustees had a conflict of interest as a result of being connected with two of the bidders. I am satisfied that correct processes were followed and that the two trustees in question played no part in the tender process or the deliberations of the Board before a decision was taken to name a consortium of RAND Europe and the King's Centre for Military Health Research as preferred bidders, subject to satisfactory negotiation of a research Centre grant agreement.

Simon Martin

Protector – Forces in Mind Trust (1 January – 28 November 2021)

February 2022

Opinion

We have audited the financial statements of Forces in Mind Trust (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 31 December 2021 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
- Have been prepared in accordance with the requirements of the Charities Act 2011

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

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

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

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

Other Information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- The information given in the trustee's annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept; 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 the trustee

As explained more fully in the statement of trustee's responsibilities set out in the trustee's annual report, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Independent auditor's report

To the trustee of

Forces in Mind Trust

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

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the Finance & Investment Committee Meeting, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Independent auditor's report

To the trustee of

Forces in Mind Trust

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charity's trustee as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustee 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 charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

20 June 2022

Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Forces in Mind Trust

Statement of financial activities

For the year ended 31 December 2021

	Note	Endowment £	Unrestricted £	2021 Total £	2020 Total £
Income from:					
Investments	3	364,559	–	364,559	455,695
Total income		364,559	–	364,559	455,695
Expenditure on:					
Raising funds		–	133,276	133,276	134,853
Charitable activities					
Knowledge and Evidence		–	1,647,635	1,647,635	3,845,364
Collaboration and Leadership		–	403,008	403,008	11,841
Influence and Convening		–	397,186	397,186	818,246
Capacity Building		–	166,409	166,409	445,769
Total expenditure	4	–	2,747,514	2,747,514	5,256,073
Net income / (expenditure) before net gains on investments		364,559	(2,747,514)	(2,382,955)	(4,800,378)
Net gains on investments	12	1,803,785	–	1,803,785	1,284,205
Net income / (expenditure)	6	2,168,344	(2,747,514)	(579,170)	(3,516,173)
Transfers between funds	17	(2,747,514)	2,747,514	–	–
Net movement in funds		(579,170)	–	(579,170)	(3,516,173)
Reconciliation of funds:					
Total funds brought forward		23,676,681	–	23,676,681	27,192,854
Total funds carried forward	17	23,097,511	–	23,097,511	23,676,681

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

Forces in Mind Trust

Balance sheet

As at 31 December 2021

	Note	£	2021 £	2020 £
Fixed assets:				
Tangible assets	11		–	1,440
Investments	12		26,032,467	28,258,465
			26,032,467	28,259,905
Current assets:				
Debtors	13	21,795	21,792	
Cash at bank and in hand		935,746	477,048	
		957,541	498,840	
Liabilities:				
Creditors: amounts falling due within one year	14	(2,869,737)	(3,094,891)	
Net current liabilities			(1,912,196)	(2,596,051)
Total assets less current liabilities			24,120,271	25,663,854
Creditors: amounts falling due after one year	15		(1,022,760)	(1,987,173)
Total net assets	16		23,097,511	23,676,681
The funds of the charity:				
Endowment funds			23,097,511	23,676,681
Unrestricted general funds			–	–
Total charity funds	17		23,097,511	23,676,681

Approved by the trustee on 14 June 2022 and signed on their behalf by

H J R Pung
Chairman of the Board

Mike Ellicock
Chief Executive

Forces in Mind Trust

Statement of cash flows

For the year ended 31 December 2021

	Note	2021 £	£	2020 £	£
Net expenditure for the reporting period (as per the statement of financial activities)		(579,170)		(3,516,173)	
Dividends, interest and rent from investments	3	(364,559)		(455,695)	
Gains on investments		(1,803,785)		(1,284,205)	
(Increase) in debtors		(3)		(16,748)	
(Decrease)/increase in creditors		(1,189,567)		1,129,516	
Net cash (used in) operating activities			(3,937,084)		(4,143,305)
Cash flows from investing activities:					
Dividends and interest from investments		364,559		455,695	
Depreciation of fixed assets		1,440		2,880	
Proceeds from sale of investments		10,212,294		6,707,589	
Purchase of investments		(4,688,949)		(5,377,365)	
Cash movement within investment portfolio		(1,493,562)		1,739,623	
Net cash provided by investing activities			4,395,782		3,528,422
Change in cash and cash equivalents in the year			458,698		(614,883)
Cash and cash equivalents at the beginning of the year			477,048		1,091,931
Cash and cash equivalents at the end of the year			935,746		477,048

1 Accounting policies

a) Statutory information

Forces in Mind Trust is an unincorporated charity, registered with the Charity Commission in England and Wales.

The registered office address is Mountbarrow House, 6-20 Elizabeth Street, London, SW1W 9RB.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

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

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Key judgements that the charity has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

f) Interest and dividends receivable

Interest on funds held on deposit and dividends are included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1 Accounting policies (continued)

g) Fund accounting

The expendable endowment fund provided by the Big Lottery Fund will be used over a 20 year period to support the charitable activities of the Trust. In accordance with the Trust Deed, the whole of the Trust Fund and Income will have been applied in furtherance of the charitable objectives by 28 November 2031. Transfers are made from the endowment fund to cover expenditure incurred during the year by the Trust

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

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 relate to investment manager fees
- Expenditure on charitable activities includes the costs of grant making undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

● Knowledge and Evidence	41.0%
● Collaboration and Leadership	10.0%
● Influence and Convening	10.0%
● Capacity Building	4.0%
● Cost of raising funds	10.0%
● Governance costs	25.0%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with the constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Grants payable

Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Multi-year grants are fully accounted for in the year the grant is approved. Payments falling due in later years are provided for as a liability on the balance sheet. This reflects the Trust's experience that only in exceptional circumstance are approved grants subsequently not paid.

1 Accounting policies (continued)

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £5,000, including VAT. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. Software is assumed to have a useful economic life of five years and depreciated on that basis on a straight line basis. Assets not yet in use but which are expected to be utilised in future are held at cost until they are brought into use.

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

Creditors and provisions are recognised where 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The charity only has financial assets and financial 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

The charity makes payments to defined contribution pension schemes on behalf of employees. The assets of the schemes are held separately from those of the charitable company in independently administered funds. The pension cost charge represents contributions payable to the funds during the year. The charity has no liability under the schemes other than the payment of those contributions.

2 Detailed comparatives for the statements of financial activities

	Endowment £	Unrestricted £	2020 Total £
Income from:			
Investments	455,695	–	455,695
Total income	455,695	–	455,695
Expenditure on:			
Raising funds	–	134,853	134,853
Charitable activities	–	5,121,220	5,121,220
Total expenditure	–	5,256,073	5,256,073
Net income / expenditure before gains on investments	455,695	(5,256,073)	(4,800,378)
Net gains on investments	1,284,205	–	1,284,205
Net income / expenditure	1,739,900	(5,256,073)	(3,516,173)
Transfers between funds	(5,256,073)	5,256,073	–
Net movement in funds	(3,516,173)	–	(3,516,173)
Total funds brought forward	27,192,854	–	27,192,854
Total funds carried forward	23,676,681	–	23,676,681

3 Income from investments

	2021 Total £	2020 Total £
Income from investments	364,489	454,491
Bank interest	70	1,204
	364,559	455,695

All income from investments is allocated to endowment funds.

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2021

4a Analysis of expenditure (current year)

	Charitable activities						2021 Total £	2020 Total £
	Cost of raising funds £	Knowledge and Evidence £	Collaboration and Leadership £	Influence and Convening £	Capacity Building £	Governance costs £		
Staff costs (Note 7)	47,800	234,731	57,415	56,585	23,708	141,407	663,884	558,706
Recruitment costs	–	–	–	–	–	–	10,299	28,850
Travel and subsistence	–	7,474	1,828	1,802	755	5,045	16,904	10,032
Grants payable (Note 5)	–	1,138,125	278,383	274,361	114,949	–	1,805,818	4,366,521
Investment manager's fees	31,720	–	–	–	–	–	31,720	42,772
Advisors' fees and expenses	–	–	–	–	–	15,000	15,000	15,161
Auditors' remuneration	–	–	–	–	–	8,760	8,760	8,900
Premises costs	–	–	–	–	–	–	77,722	78,538
Legal and professional fees	–	43,455	10,629	10,476	4,389	–	68,949	92,014
Directors' expenses	–	–	–	–	–	772	772	2,671
Office costs	–	–	–	–	–	–	47,686	51,908
	79,520	1,423,785	348,255	343,224	143,801	170,984	2,747,514	5,256,073
Support costs	23,795	97,478	23,843	23,498	9,845	59,486	–	–
Governance costs	29,961	126,372	30,910	30,464	12,763	(230,470)	–	–
Total expenditure 2021	133,276	1,647,635	403,008	397,186	166,409	–	2,747,514	
Total expenditure 2020	134,853	3,845,364	11,841	818,246	445,769	–	–	5,256,073

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2021

4b Analysis of expenditure (prior year)

	Charitable activities							
	Cost of raising funds £	Knowledge and Evidence £	Collaboration and Leadership £	Influence and Convening £	Capacity Building £	Governance costs £	Support costs £	2020 Total £
Staff costs (Note 7)	40,227	235,348	725	50,079	27,282	119,004	86,041	558,706
Recruitment costs	–	–	–	–	–	–	28,850	28,850
Travel and subsistence	–	5,220	16	1,111	605	3,080	–	10,032
Grants payable (Note 5)	–	3,278,685	10,095	697,663	380,078	–	–	4,366,521
Investment manager's fees	42,772	–	–	–	–	–	–	42,772
Advisors' fees and expenses	–	–	–	–	–	15,161	–	15,161
Auditors' remuneration	–	–	–	–	–	8,900	–	8,900
Premises costs	–	–	–	–	–	–	78,538	78,538
Legal and professional fees	–	69,090	213	14,702	8,009	–	–	92,014
Directors' expenses	–	–	–	–	–	2,671	–	2,671
Office costs	–	–	–	–	–	–	51,908	51,908
	82,999	3,588,343	11,049	763,555	415,974	148,816	245,337	5,256,073
Support costs	24,534	119,740	369	25,479	13,881	61,334	(245,337)	–
Governance costs	27,320	137,281	423	29,212	15,914	(210,150)	–	–
Total expenditure 2020	134,853	3,845,364	11,841	818,246	445,769	–	–	5,256,073

Notes to the financial statements

For the year ended 31 December 2021

5 Grant making

	2021 £	2020 £
Creditors at the start of the year	5,000,134	3,893,782
Grants awarded in the year (Note 4 and detailed below)	1,660,514	4,151,301
Costs related to monitoring and evaluation of grants awarded	145,304	215,220
Grants paid	(2,955,591)	(3,260,169)
Total creditors at the end of the year	3,850,361	5,000,134
Creditors due within one year (Note 14)	2,827,601	3,012,961
Creditors due in over one year (Note 15)	1,022,760	1,987,173
Total creditors at the end of the year	3,850,361	5,000,134

		2021 £	2020 £
Grants awarded in the year:	Charitable Activity		
Contact Group Operational Resources Years 2022–2024.	Capacity Building	91,955	–
Windsor Leadership Programmes, Windsor Leadership Trust	Capacity Building	22,994	–
Veterans Work: The Podcasts. Deloitte. CE Award	Collaboration and Leadership	25,000	–
Soldiering On Awards 2021. X Forces. CE Award	Collaboration and Leadership	18,000	–
Changing our Approach to Veterans' Employment through Trade Associations and Membership Bodies. X-Forces	Collaboration and Leadership	42,383	–
No Homeless Veterans. Stoll on behalf of the Cobseo Housing Cluster	Collaboration and Leadership	193,000	–
Mental health and its relationship with unemployment and disability benefits among UK veterans. King's Centre for Military Health Research	Knowledge and Evidence	(7,569)	–
Chamber Military Network. Black Country Chambers of Commerce	Influence and Convening	129,057	–
Non-UK Personnel, Veterans and Families. Anglia Ruskin University	Knowledge and Evidence	145,997	–
Armed Forces Charities Expanding Knowledge and Evidence, 2021–2023. Directory of Social Change	Knowledge and Evidence	271,191	–
Ex-Service personnel in the Criminal Justice System in England, Wales and Scotland. Nacro in partnership with the Institute of Public Safety, Crime and Justice (IPSCJ) and the Institute for Social Innovation and Impact (ISII) at the University of Northampton	Knowledge and Evidence	244,106	–
Our Community, Our Covenant 3: Examining the impact of the Armed Forces Covenant. Shared Intelligence in partnership with RAND Europe and Meri Mayhew	Knowledge and Evidence	221,484	–
Non-UK Personnel, Veterans and Families. Anglia Ruskin University. Additional Award	Knowledge and Evidence	4,000	–
Understanding the impact of serving within the UK Armed Forces for the Indian and West Indian veteran populations. University of Chester	Knowledge and Evidence	162,894	–
Pioneer Programme – MDMA-Assisted Psychotherapy Research for treatment-resistant PTSD. Supporting Wounded Veterans and King's College London	Knowledge and Evidence	250,000	–
Developing Peer Support for Families of Veterans with Substance Use Problems. University of York	Knowledge and Evidence	(2,032)	–
Triggers of help seeking for alcohol problems in ex-serving personnel: the roles of recognition and mental health comorbidity. University of Liverpool	Knowledge and Evidence	(962)	–
RCT of modular motion-assisted memory desensitisation & reconsolidation (3MDR) for treatment resistant PTSD. Cardiff University	Knowledge and Evidence	(23,645)	–
Sub-total carried forward		1,787,853	–

Notes to the financial statements

For the year ended 31 December 2021

5 Grant making (continued)

Grants awarded in the year:	Charitable Activity	2021 £	2020 £
Sub-total brought forward		1,787,853	–
The Poppy Factory IPS Pilot for Wounded, Injured and Sick Veterans. The Poppy Factory	Knowledge and Evidence	(21,000)	–
Mental Health and Treatment Needs of UK ex-Serving personnel. King's Centre for Military Health Research	Knowledge and Evidence	(6,339)	–
Sector Leadership Programme. Windsor Leadership Trust, Additional Award	Collaboration and Leadership	–	595
Cobseo Emerging Leaders Programme 2019–2020. Clore Social Leadership, Additional Award	Collaboration and Leadership	–	–
Shoulder to Shoulder Online. TimeBank. Additional Award	Knowledge and Evidence	–	10,000
MINDFit Development & Initial Assessment of a MH Toolkit for Veterans. King's College London. Additional Award *	Knowledge and Evidence	–	9,293
Where are all the veterans? Motivating military veterans to register with a Primary Healthcare practice. University of Chester.	Knowledge and Evidence	–	133,150
Exploring War Widows' experiences of social isolation and loneliness. University of Northumbria.	Knowledge and Evidence	–	99,979
Household Survey 2021. The Royal British Legion.	Knowledge and Evidence	(100,000)	100,000
Longer-term employment outcomes for ex-Service personnel. QinetiQ Ltd.	Knowledge and Evidence	–	265,745
Treating veterans with Complex PTSD using modular therapy. A pilot case study design. Edinburgh Napier University. *	Knowledge and Evidence	–	304,494
Advance 2020. ADVANCE Study Charitable Trust	Knowledge and Evidence	–	500,000
Caring and Coping: Living with Loss of Use of Limb/s, the family experience. Blesma	Knowledge and Evidence	–	197,645
Sanctions, Support & Service Leavers: Experiences of the UK social security system in transition. University of Salford.	Knowledge and Evidence	–	299,150
Understanding the psychosocial determinants of psychological health and wellbeing for veteran families in the UK. Queen's University Belfast.	Knowledge and Evidence	–	306,956
Casework Transformation Project. Royal Air Force Benevolent Fund on behalf of the Casework Steering Group.	Collaboration and Leadership	–	9,500
Helping the Armed Forces Community to be the Best in Business. X Forces.	Influence and Convening	–	7,500
Shoulder to Shoulder Erskine Online. TimeBank. Additional	Knowledge and Evidence	–	1,626
Sub-total carried forward		1,660,514	2,245,633

Notes to the financial statements

For the year ended 31 December 2021

5 Grant making (continued)

Grants awarded in the year:	Charitable Activity	2021 £	2020 £
Sub-total brought forward		1,660,514	2,245,633
Beyond the Finish Line: Examining the Invictus Games. Invictus Games Foundation. Additional Award	Knowledge and Evidence	–	43,180
Psychological treatment for morally injured UK Armed Forces veterans: A feasibility study. King's Centre for Military Health Research*	Knowledge and Evidence	–	270,830
Scotland's Bravest Manufacturing Company – Progressive Employment Training. Royal British Legion Industries.	Capacity Buiding	–	298,996
MINDFit Development & Initial Assessment of a MH Toolkit for Veterans. King's College London. Additional Award *	Knowledge and Evidence	–	8,057
Future Trends Commission (Lifting our Sights)	Knowledge and Evidence	–	298,200
DVA Conference, 7 October 2020. The Royal British Legion	Influence and Convening	–	1,000
Veterans Mental Health Conference 2021–2023. King's Centre for Military Health Research	Influence and Convening	–	45,000
Informing Scotland 2020–2023. Veterans Scotland	Influence and Convening	–	209,700
High Intensity Service (HIS) Consultancy Project. Combat Stress on behalf of Contact Group	Capacity Buiding	–	19,800
Transition into Construction: Short Term Support. BuildForce	Capacity Buiding	–	40,000
You're in Your Own Time Now: Understanding Current Experiences of Transition to Civilian Life in Scotland. The University of Edinburgh	Knowledge and Evidence	–	301,868
Future Trends Commission (Lifting our Sights) website. CE Additional Award.	Knowledge and Evidence	–	14,982
A Roadmap to ensure achievement of No Homeless Veterans. The Riverside Group Limited on behalf of the Cobseo Housing Cluster	Influence and Convening	–	219,243
Knowledge Transfer between TimeBank and SSAFA. TimeBank	Capacity Buiding	–	21,283
Pilot Randomised Controlled Trial (RCT) to evaluate to compare the Reconsolidation of Traumatic Memories (RTM) intervention with Trauma-Focused CBT (TF-CBT) delivery by charities to treat PTSD in UK veterans (aka PETT – PTSD Experimental Treatment Trial). King's College London. Additional Award.	Knowledge and Evidence	–	87,280
Understanding 'Negative Transitioning' in British Ex-Service Personnel. Queen's University Belfast. Additional Award	Knowledge and Evidence	–	23,890
University of Bristol underspend refund	Knowledge and Evidence	–	(10,788)
Female Veterans and Employment (Cranfield)	Knowledge and Evidence	–	(597)
KCMHR Veterans Mental Health Conference 2017–2019	Knowledge and Evidence	–	(624)
MHRP Infrastructure Quarterly Costs	Knowledge and Evidence	–	14,368
Sub-total – grant awards		1,660,514	4,151,301
Other costs related to grants awarded		145,304	215,220
Total costs of grant making		1,805,818	4,366,521

Notes to the financial statements

For the year ended 31 December 2021

6 Net income/(expenditure) for the year

	2021 £	2020 £
This is stated after charging / crediting:		
Depreciation	1,440	2,880
Auditor's remuneration (excluding VAT):		
▪ Audit	7,650	7,300
Advisor's fees and expenses (Protector)	15,000	15,161
Operating lease rentals		
▪ Property	77,722	78,538
	<u>77,722</u>	<u>78,538</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2021 £	2020 £
Staff costs were as follows:		
Salaries and wages	567,344	483,034
Social security costs	57,912	49,540
Employer's contribution to defined contribution pension schemes	30,986	19,728
Death in Service benefit	4,723	6,374
Other Staff costs	2,919	30
	<u>663,884</u>	<u>558,706</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 No.	2020 No.
£70,000 – £79,999	1	1
£90,000 – £99,999	2	1
	<u>2</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £122,783 (2020: £111,323).

The charity directors were not paid or received any other benefits from employment with the charity in the year (2020: £nil). No charity director received payment for professional or other services supplied to the charity (2020: £nil).

Directors' expenses represents the payment or reimbursement of travel and subsistence costs totalling £772 (2020: £2,671) incurred by 3 (2020: 6) members relating to attendance at meetings of the directors.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2021 No.	2020 No.
Raising funds – investment management	1.0	0.9
Governance	2.7	2.4
Knowledge and Evidence	4.4	4.5
Collaboration and Leadership	1.0	0.0
Influence and Convening	1.0	1.0
Capacity Building	0.4	0.5
	<u>10.5</u>	<u>9.3</u>

9 Related party transactions

The value of the related party transactions is £742,649 (2020: £725,675). Full details of this figure is given on pages 23–24 of the Directors' Annual Report.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Software £	Total £
Cost		
At the start of the year	14,400	14,400
Additions in year	–	–
At the end of the year	14,400	14,400
Depreciation		
At the start of the year	12,960	12,960
Charge for the year	1,440	1,440
At the end of the year	14,400	14,400
Net book value		
At the end of the year	–	–
At the start of the year	1,440	1,440

The above asset relates to a CRM system that was purchased in 2014. This was brought into use in July 2016 and is being depreciated over 5 years. It is used solely for charitable purposes.

Notes to the financial statements

For the year ended 31 December 2021

12 Listed investments

	2021 £	2020 £
Fair value at the start of the year	23,725,590	23,771,609
Additions at cost	4,688,949	5,377,365
Disposal proceeds	(10,212,294)	(6,707,589)
Net gains on change in fair value	1,803,785	1,284,205
	20,006,030	23,725,590
Cash held by investment broker pending reinvestment	6,026,437	4,532,875
Fair value at the end of the year	26,032,467	28,258,465

Investments comprise:

	2021 £	2020 £
Fixed Interest Bonds	2,862,269	4,118,018
UK Shares listed on the London Stock Exchange	1,603,888	2,343,032
Non UK Shares listed on the London Stock Exchange	11,224,910	12,721,470
Hedge Funds	431,876	547,562
Property Funds & Trusts	1,106,960	1,199,199
Alternative Assets	1,895,142	1,486,418
Liquid Funds	6,907,422	5,842,766
	26,032,467	28,258,465

13 Debtors

	2021 £	2020 £
Prepayments	21,662	21,792
Cycle to work scheme and season ticket loans	133	-
	21,795	21,792

With the exception of listed investments, all of the charity's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 14 and 15 below.

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	9,541	53,870
Taxation and social security	19,318	16,954
Accruals	7,570	7,570
Grants payable (Note 5)	2,827,601	3,012,961
Other creditors	5,707	3,536
	2,869,737	3,094,891

Notes to the financial statements

For the year ended 31 December 2021

15 Creditors: amounts falling due after one year

	2021 £	2020 £
Grants payable (Note 5)	<u>1,022,760</u>	<u>1,987,173</u>
Grants are paid in line with agreed timetables and are payable:		
In less than one year	2,827,601	3,012,961
Between one and five years	<u>1,022,760</u>	<u>1,987,173</u>
	<u>3,850,361</u>	<u>5,000,134</u>

16a Analysis of net assets between funds (current year)

	Endowment funds £	General funds £	Total funds £
Tangible fixed assets	–	–	–
Investments	26,032,467	–	26,032,467
Net current liabilities	(1,912,196)	–	(1,912,196)
Long term liabilities	(1,022,760)	–	(1,022,760)
Net assets at the end of the year	<u>23,097,511</u>	<u>–</u>	<u>23,097,511</u>

16b Analysis of net assets between funds (prior year)

	Endowment funds £	General funds £	Total funds £
Tangible fixed assets	1,440	–	1,440
Investments	28,258,465	–	28,258,465
Net current liabilities	(2,596,051)	–	(2,596,051)
Long term liabilities	(1,987,173)	–	(1,987,173)
Net assets at the end of the year	<u>23,676,681</u>	<u>–</u>	<u>23,676,681</u>

17a Movements in funds (current year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
Endowment funds	23,676,681	2,168,344	–	(2,747,514)	23,097,511
Total endowment funds	23,676,681	2,168,344	–	(2,747,514)	23,097,511
Unrestricted funds:					
General funds	–	–	(2,747,514)	2,747,514	–
Total unrestricted funds	–	–	(2,747,514)	2,747,514	–
Total funds	23,676,681	2,168,344	(2,747,514)	–	23,097,511

17b Movements in funds (prior year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 December 2020 £
Endowment funds	27,192,854	1,739,900	–	(5,256,073)	23,676,681
Total endowment funds	27,192,854	1,739,900	–	(5,256,073)	23,676,681
Unrestricted funds:					
General funds	–	–	(5,256,073)	5,256,073	–
Total unrestricted funds	–	–	(5,256,073)	5,256,073	–
Total funds	27,192,854	1,739,900	(5,256,073)	–	23,676,681

Purposes of endowment funds

The expendable endowment fund provided by the Big Lottery Fund will be used over a 20 year period to support the charitable activities of the Trust. In accordance with the Trust Deed, the whole of the Trust Fund and Income will have been applied in furtherance of the charitable objects by 28 November 2031.

18 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2021 £	2020 £
Less than one year	7,721	7,797
	<u>7,721</u>	<u>7,797</u>

19 Corporate Trustee

Forces in Mind Trust is managed by a sole corporate trustee which is FIM Trustee Limited, registered company no. 07855145. Forces in Mind Trust is used to disburse funds for charitable purposes or activities. All activities take place within the Trust and are directed by the Trustee, FIM Trustee Limited.

FORCES IN MIND TRUST

England & Wales - Charity number 1145688

Accounts

Charity number: 1145688

Forces in Mind Trust

Report and financial statements

For the year ended 31 December 2020

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Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2020

Charity number	1145688	
Registered office	Alexandra House St Johns Street Salisbury SP1 2SB	
Operational address	Mountbarrow House 6-20 Elizabeth Street London SW1W 9RB	
Country of registration	England and Wales	
Trustee	FIM Trustee Ltd	
Principal staff	Ray Lock CBE Tom McBarnet Caroline Cooke Rodrigo Voss Kirsteen Waller Clare Crookenden	Chief Executive Director of Programmes Head of Policy Operations Manager Health Programme Manager Grants Manager
Bankers	Barclays Bank UK PLC 1st Floor 27 Soho Square London W1D 3QR	
Solicitors	Wilsons Solicitors LLP Alexandra House St Johns Street Salisbury SP1 2SB	

Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2020

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108–114 Golden Lane
LONDON
EC1Y 0TL

Investment Managers Cazenove Capital Management Limited
1 London Wall Place
London
EC2Y 5AU

Sarasin and Partners
Juxon House
100 St. Paul's Churchyard
London
EC4M 8BU

The Forces in Mind Trust has a single corporate Trustee, FIM Trustee Limited.

The Directors of FIM Trustee Limited during the period 1 January 2020 to 8 June 2021 were:

Chair	H J R Pung	Chair of the Board
Director	A Bell	Member of the Finance and Investment Committee
Director	I Brown	Chair of the Programmes Committee (until 10 March 2020). Resigned 10 March 2020
Director	R S Campbell FCA	Chair of the Finance and Investment Committee
Director	Professor N Greenberg	Member of the Programmes Committee Resigned 30 May 2020
Director	R P Harries	Chair of the Programmes Committee (from 11 March 2020)
Director	General Retd Sir John C McColl KCB CBE DSO	Member of the Governance Committee
Director	D Mills	Member of the Programmes Committee
Director	Professor D Murphy	Member of the Programmes Committee (from 6 November 2020)

Forces in Mind Trust

Reference and administrative details

For the year ended 31 December 2020

Director	Air Vice–Marshal Retd The Hon D P Murray CVO OBE	Member of the Programmes Committee Resigned 10 March 2020
Director	A S D Reding	Member of the Programmes Committee
Director and Deputy Chair	N J Roberts	Member of the Governance Committee and Deputy Chair of Board
Director	Major General Retd M J Rutledge CB OBE	Member of the Finance and Investment Committee
Director	A C Ward	Chair of the Governance Committee

The Trust's Patron is Admiral of the Fleet Lord Boyce KG GCB OBE DL.

The Trust's Honorary President is Air Vice–Marshal Retd A J Stables CBE.

As we began 2020, few of us would have anticipated the turbulence that lay ahead: a global Covid-19 pandemic which continues to cause devastating personal, social, and economic consequences; acts of racial injustice which highlighted inequalities and societal tensions; and political tumult in elections around the globe as well as uncertainty in UK-EU trade negotiations. The cumulative negative effect of these has highlighted the important role that charities, such as the Forces in Mind Trust, play in both supporting the vulnerable in the midst of the storm and setting the conditions to build back better once things stabilise.

And while FiMT does not provide direct services to those in need, I am very appreciative of the part that the Trust was able to play to quantify the scale of the challenge to the Armed Forces charitable sector through a series of surveys conducted by the Directory of Social Change and then deploy resources to help our partners in the Confederation of Service Charities (Cobseo) identify priority areas for assistance and make the case to Government for support. Cobseo's efforts resulted in £6 million of impact funding that, although insufficient to fully meet demand, helped a number of charities continue to help those most in need. In addition, the Trust also worked with our current grant holders impacted by the pandemic to support the delivery of already-commissioned projects.

Our evolution into an impact-oriented charity also continued during this period. We accelerated our spend profile, directed through our seven programme areas, in an effort to achieve greater impact and meet urgent needs. Our programmes team also continued to refine the policy objectives of each of these so that we could better measure this impact. And this approach was validated as the Trust was shortlisted in the Increasing Impact category for the 2020 Charity Governance Awards.

And we saw evidence of this increasing impact in 2020. The Trust's support to the Independent Review of Families in the Armed Forces helped magnify its profile and we anticipate that the Ministry of Defence will accept many of the report's recommendations. And we have seen recommendations from previous Trust-funded research and influencing also achieving impact: MoD jointly working with the Home Office to grant wider flexibility to non-UK Service leavers and a one-year government relief of national insurance contributions for employing ex-Service personnel are examples of this.

2020 also heralded transition in our executive and board leadership. Founding Director Isobel Brown departed after serving the board with nine years of sterling service. Professor Neil Greenberg concluded his second term on the board, while Professor Dominic Murphy replaces him both on the board and on our programmes committee. David Murray left having served as a Cobseo-nominated Director for nearly four years. Additionally, after nine years of leading the Trust as our Chief Executive, Ray Lock announced that he would be stepping down in the summer of 2021. I cannot emphasise enough Ray's contributions to the impactful organisation that FiMT has grown into and the pleasure that it has been to work with him in my time as Chair. And as much as the Trust will miss Ray's commitment and leadership, we are delighted to welcome Mike

Chair's introductory report

For the year ended 31 December 2020

Ellicock as our new incoming Chief Executive. Mike comes to us from the wider Third Sector and has very relevant experience in driving change through evidence and engagement.

In addition to Isobel, Neil, David and Ray, I would also like to extend my thanks and appreciation to the rest of the Trust's staff team, protector, and board directors for their continued dedication to fulfil our mission. Running and governing an organisation as dynamic as FiMT is not easy even in the best of times, and the entire FiMT team have been outstanding in continuing to carry out their socially-distanced responsibilities in the midst of the pandemic. And I look forward to seeing them in person again this year, as circumstances allow.

As we look forward in 2021, there is no shortage of opportunities for the Trust to help improve transition outcomes for our ex-Service members and their families. We have accelerated our spending profile to focus on driving impact in our seven programmatic focus areas but particularly with a renewed appreciation for diversity, equality, and inclusion considerations as well as an awareness of the continued effects of the Covid-19 pandemic on our beneficiaries and the wonderful charities that support them. And I have no doubt that the Forces in Mind Trust, working with our wider stakeholder community, will rise to the challenge to help ex-Service members and their families make successful and sustainable transitions from the Armed Forces.

H J R Pung

Chair, Forces in Mind Trust

Introduction

The Directors of the Trustee (FIM Trustee Limited) present their Report, together with the audited financial statements of Forces in Mind Trust for the year ended 31 December 2020.

Reference and administrative information set out on pages 1 to 3 forms part of this report. The financial statements comply with current statutory requirements, the charity's trust deed and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

The Directors would like to express their gratitude for the continued and considerable support and engagement of our Patron, Lord Boyce, and Protector, Simon Martin, whose insightful report we address subsequently.

Comment on Protector's Report

The Protector was appointed in November 2011 by the Big Lottery Fund; his role and responsibilities are fully described in his Report.

The Directors welcome the comments contained in the Protector's Report. The Protector's attendance at Board and a selection of Committee meetings contributes positively to the Trust's development, and his considered advice complements the institutional memory he retains.

Ensuring that the Board remains engaged in the Trust's most impactful work was uppermost in Directors' minds when commissioning and implementing the paper described later on 'Positioning for a More Strategic Approach', and we recognize the imperative for non-Programmes Committee Directors to maintain contact through quarterly 'Deep Dives'.

Work on the re-let of the FiMT Research Centre contract is ongoing, and we shall report on its outcome next year.

Objectives and activities

Purposes and aims

Forces in Mind Trust (FiMT, or the Trust) is a registered charity which has as its charitable aims:

The prevention and relief of poverty, the protection of mental and physical health and the relief of sickness and need amongst serving and former serving members of the Armed Forces by means of the provision of mentoring, services, facilities and equipment to support their treatment, rehabilitation, resettlement, education, training and employment and thereby support their transition to civilian life;

and

The protection of the mental and physical health, and the relief of poverty of the families and dependants of serving and former serving members of the Armed Forces in all cases for the benefit of the public.

Throughout this document, the concept of transition is as described above.

The Directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities, and are confident that the Trust's activities meet the Charity Commission's requirements with regard to public benefit. In particular, the Directors considered how the planned activities will contribute to the aims and objectives that have been set.

The Directors review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Directors report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Directors ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The year was dominated by the global Covid-19 pandemic and the UK's national response, which included a range of restrictions that affected the Trust's works in a variety of ways. The Directors considered both the impact on the Trust's work, and the need to change its overall strategy, and these remain under regular review into 2021. They are described in greater detail in subsequent sections. However, in summary, the Directors concluded that: the Trust's strategy remained valid; greater effort would be invested in enabling the whole Armed Forces charities sector through the crisis; current grant holders would be supported on an individual basis; the Programmatic approach and its constituent themes would remain central to the Trust's development; and prudent resource management would ensure the ongoing capability of the Trust to fulfil its mission.

At its annual February Strategy Day, the final face-to-face event of the year, Directors considered the various trajectories the Trust might take in its second decade, and what the implications were in particular for the level of Grants and Commissioning Programme expenditure. The Directors decided at the June Board meeting to establish a new concept of 'Mission Spend' defined as expenditure across all four Change Mechanisms regardless of whether commission, co-creation, responsive grant or services for influence, and set a 4-year planning figure at £2.6 million pa. Subsequently the Directors concluded that the Trust should also examine how it should adapt to take advantage of this certainty, and commissioned a paper on 'Positioning for a More Strategic Approach'. These initiatives are described in greater detail under the Future Plans section.

Following a recruitment campaign conducted with social sector leading agency Prospectus, the Trust appointed a new (and only its second) Chief Executive, Mike Ellicock, who will take over from Ray Lock in June 2021.

Achievements and performance

The Trust's main activities and who it tries to help are described below. All its charitable activities focus on ex-Service personnel and their families and are undertaken to further FiMT's charitable purposes for the public benefit.

During 2020, the Trust reviewed its Change model and adjusted and confirmed the framework as below:

Our **Vision** is that all ex-Service personnel and their families lead fulfilled civilian lives.

Our **Mission** is to enable them (all ex-Service personnel and their families) to make a successful and sustainable transition.

Our six **Outcomes** (the ends we seek) are:

- Housing
- Employment
- Health
- Finance
- Criminal Justice System
- Relationships

and our four **Change Mechanisms** (the way we work) are:

- Knowledge and evidence
- Influence and convening
- Collaboration and leadership
- Capacity building

The Trust operates a 'Programmatic Approach' which places at its core: coherence; creating (measurable) impact through influence; and widespread consultation and collaboration. Each of the six Outcome areas has an associated eponymous Programme, and a seventh, Enabler Programme, has as its vision 'Successful and sustainable transition through the better enablement of measures promoting wider understanding, and improved coordination and collaboration within the military charity Sector'. The Directors recognize that some of the Trust's most impactful work has derived from this Programme and have afforded it the appropriate attention and priority.

The Trust's Strategy has not been changed and is as follows:

Our **Strategy** is to use our spend-out endowment to fund targeted, conceptually sound, evidence generation and influence activities that will cause policy makers and service providers to support our **Mission**, and to strengthen the Armed Forces charities sector through collaboration and leadership, and by building its capacity, in order to realize our **Vision**.

Grants and Commissioning Plan

During the period, 31 grant awards were made, in addition to a grant to provide the supporting infrastructure for the Mental Health Research Programme (previous period 26 plus infrastructure), listed below by organization. Other costs related to grants awarded totalling £215,220 (2019: £153,612) are also shown. Of these 31 awards, 20 (16) were for Knowledge and evidence, 5 (4) were for Influence and convening, 2 (3) were for Collaboration and leadership and 4 (2) were for Capacity building.

A short note on Covid-19

In recognition of the impact of the global Covid-19 pandemic, the Trust contacted all of its existing grant holders at the commencement of the first national lockdown to offer immediate support, and subsequently to discuss the likely effect on its funded projects. As a consequence, five projects received additional awards totalling £164,033 included in the list below, and 26 were given no-cost time extensions. All were processed in accordance with the Trust's existing governance procedures, which proved responsive and robust.

As part of its strategy to strengthen the Armed Forces charities sector, the Trust worked closely with the staff of the Confederation of Service Charities (Cobseo) to understand what role it could fulfil. It was decided that the Trust was well placed to provide an evidence base through its long-standing strategic relationship with the Directory of Social Change, which allowed Cobseo to identify priority areas and to successfully put forward a case for emergency Government funding. The Trust also extended its contract with strategic public relations adviser Amazon PR to support smaller Armed Forces charities facing catastrophic shortfalls in voluntary income.

Services totalling £48,493 were expended on both these areas in 2020. The results included public provision of a £6 million Covid Impact Fund for Armed Force charities, and an additional 27 million 'opportunities to see', a public relations metric. In the words of one of the recipients of this support:

"We saw an increase in donations, website visits and social media followers. We are extremely grateful for the support you gave us throughout the process."

In February 2021, a grant was awarded to the Directory of Social Change for a project that included maintenance of that evidence base to the benefit of the Armed Forces charities sector.

The Grants and Commissioning Plan in 2020

Full details of amounts and types of grant can be found at Note 5 to the financial statements and on the Trust's website (section 'who we have helped' <http://www.fim-trust.org/who-we-have-helped/>). Grants made in 2020, by organization title, were:

- Sector Leadership Programme. Windsor Leadership Trust, Additional Award
- Shoulder to Shoulder Online. TimeBank. Additional Award
- MINDFit Development & Initial Assessment of a MH Toolkit for Veterans. King's College London. Additional Award *
- Where are all the veterans? Motivating military veterans to register with a Primary Healthcare practice. University of Chester
- Exploring War Widows' experiences of social isolation and loneliness. University of Northumbria
- Household Survey 2021. The Royal British Legion
- Longer-term employment outcomes for ex-Service personnel. QinetiQ Ltd
- Treating veterans with Complex PTSD using modular therapy. A pilot case study design. Edinburgh Napier University *
- Advance 2020. ADVANCE Study Charitable Trust
- Caring and Coping: Living with Loss of Use of Limb/s, the family experience. Blesma
- Sanctions, Support & Service Leavers: Experiences of the UK social security system in transition. University of Salford
- Understanding the psychosocial determinants of psychological health and wellbeing for veteran families in the UK. Queen's University Belfast
- Casework Transformation Project. Royal Air Force Benevolent Fund on behalf of the Casework Steering Group
- Helping the Armed Forces Community to be the Best in Business. X Forces
- Shoulder to Shoulder Erskine Online. TimeBank. Additional Award
- Beyond the Finish Line: Examining the Invictus Games. Invictus Games Foundation. Additional Award
- Psychological treatment for morally injured UK Armed Forces veterans: A feasibility study. King's Centre for Military Health Research *
- Scotland's Bravest Manufacturing Company – Progressive Employment Training. Royal British Legion Industries
- MINDFit Development & Initial Assessment of a Mental Health Toolkit for Veterans. King's College London. Additional Award *
- Future Trends Commission (Lifting our Sights)
- DVA Conference, 7 October 2020. The Royal British Legion
- Veterans Mental Health Conference 2021–2023. King's Centre for Military Health Research
- Informing Scotland 2020–2023. Veterans Scotland
- High Intensity Service (HIS) Consultancy Project. Combat Stress on behalf of Contact Group
- Transition into Construction: Short Term Support. BuildForce
- You're in Your Own Time Now: Understanding Current Experiences of Transition to Civilian Life in Scotland. The University of Edinburgh

- Future Trends Commission (Lifting our Sights) website. CE Additional Award.
- A Roadmap to ensure achievement of No Homeless Veterans. The Riverside Group Limited on behalf of the Cobseo Housing Cluster
- Knowledge Transfer between TimeBank and SSAFA. TimeBank
- Pilot Randomised Controlled Trial (RCT) to evaluate to compare the Reconsolidation of Traumatic Memories (RTM) intervention with Trauma-Focused CBT (TF-CBT) delivery by charities to treat PTSD in UK veterans (aka PETT – PTSD Experimental Treatment Trial). King's College London. Additional Award.
- Understanding 'Negative Transitioning' in British Ex-Service Personnel. Queen's University Belfast. Additional Award
- MHRP Infrastructure Costs*

*Awards made through the Mental Health Research Programme

The impact of these grant awards will mainly be felt in subsequent years. The impact of previous years' grant awards, and also where appropriate those listed previously, is described in the following section on Impact and Influence.

In March 2020, the Board agreed a revised grants allocation for 2020 of £4.3 million which was £1.3 million higher than the original budget allocation. It reflected the excellent progress of the Programmatic Approach, and the investment that had been identified through effective collaboration, and which needed to be made on high quality, impactful projects. The total value of the 2020 awards, less other costs related to grants awarded but including Mental Health Research Programme infrastructure, was £4.151 million (previous period £2.574 million). Thus the annual award made by the Trust was 97% of its revised target.

Total charitable expenditure for the year amounted to £5.121 million (previous period £3.497 million).

Since the introduction of the Employment Programme in 2019, all of the Trust's Outcome areas have been developed on a common structure of a programme policy goal and vision, and a series of supporting objectives. This has focused the direction and increased the coherence of project funding (ie grant awarding) activity. The largest Programmes have established consultative Programme Reference Panels made up of a wide range of subject matter experts and Armed Forces charities stakeholders, to ensure that each Programme's development is properly focused on addressing recognised needs and challenges, and to ensure that the Trust's intentions are as widely understood as possible.

This structured approach has also introduced a significant series of policy statements for each Programme. These statements have enabled the Trust's vision and objectives to be widely promulgated to a range of hitherto unaware policy makers and influencers, and have maximised the benefit of using the Trust's professional public relations and media consultants, who now have a clear statement on what the Trust stands for in each of its core domains.

The previous approach of commissioning external Deep Dives has been superseded by a regular cycle of Programmes Committee Deep Dives, at which the aims, objectives and coherence of each Programme, together with planned influence activity and impact across all the Trust's change mechanisms, are scrutinized, and direction and guidance are passed to the executive. These Deep Dives are subsequently replayed at a more strategic level to the Board on a rolling schedule to ensure that Directors who are not serving on the Programmes Committee are able to discharge their responsibilities fully, and are engaged in, and able to affect the conduct of, the main strands of the Trust's work. Directors review each Programme in depth at approximately 18-month intervals. This process has been augmented by the development of Programme Dashboards, which are now presented as standing items on Board meetings and are readily accessible through the Trust's website. To increase external stakeholder understanding and transparency, slightly redacted versions of the Dashboards are also available on the public areas of the website.

As the Programmatic Approach gathered momentum, 2020 saw the largest total of awards in the Trust's history. This included £871,000 of Trust-commissioned work into long-term employment outcomes, family health, and a unique 'futures' study. The new Health Programme alone attracted some £2.1 million of grant awards. The Trust's increased ability to set the direction of its own work was also reflected in bringing to market two further commissions, which will be funded in Spring 2021.

Impact and Influence

Impact

The Trust once again played a key role in developing policies and supporting that contributed to improvements in the lives of the Armed Forces Community. This impact was achieved across the Trust's seven Programmes. Some examples are listed here.

- **Families (Relationships Programme).** The Trust has always emphasized that it works for ex-Service personnel and their families and, throughout 2020, its contribution to national policy development was substantial. A small grant (£6000) to the Independent Review of Families in the Armed Forces made in 2019 and continual support, some of it financial (£210), resulted in the Trust playing a key role in ensuring that the report was of a high quality, well presented, and contained effective recommendations. The Secretary of State for Defence, who was interviewed by the Trust's Chief Executive during the public on-line launch of the report 'Living in our Shoes', pledged to respond formally to all of the 110 recommendations. At virtually the same time, the Trust was asked by the Ministry of Defence to convene a series of charity sector workshops to inform its new Families Strategy. The credibility, independence and skill the Trust's staff brought to this exercise, which saw four on-line round table discussion and a lengthy submission, had a substantial impact on national policy development to the benefit of Armed Forces Community families.
- **Mental Health (Health Programme).** A ground-breaking study into Moral Injury, which had begun in 2018, reported in autumn 2020. The findings were covered extensively in national

media as the report's publication coincided with concerns being raised about the mental health of the NHS's front-line workforce. The Trust ensured that its project was utilised by those supporting the NHS, whilst also pursuing recommendations affecting the Armed Forces Community. Five papers were published in high-impact academic journals. The Trust recognizes that this is not impact of itself, but in the field of health, it is a necessary enabler and proxy indicator of future impact. A further project was funded in 2020 to develop a psychological treatment for ex-Service personnel who had suffered moral injury, which is likely to yield further evidence for the civilian healthcare workers. The Mental Health Research Programme began its second 5-year period as described in last year's Annual Report with a new strategic relationship with the Centre for Mental Health that will further increase the Trust's understanding of the environment, and its ability to create impact.

- **Difficult transition (Employment and Health Programmes).** Shoulder to Shoulder is a long-running mentoring project operated by TimeBank. During the year and following on from a highly successful pilot based near Glasgow, the Trust had funded the development of an on-line version. As national lockdown restrictions began to affect other mentoring services, the Trust provided additional funding to TimeBank to increase its capacity. At the end of the project, however, TimeBank was unable to attract sustainable funding. The Trust has always been clear in its strategy that it does not provide sustained funding, but will work with grant holders to scale up successful models. In this case, SSAFA – the Armed Forces Charity had secured public funding for its mentoring service, and therefore the Trust was able via a small further award to transfer the knowledge gained from the TimeBank work into SSAFA's scheme, which will result, at no cost to the charity, in a more effective programme that will increase its benefit to the Armed Forces Community.
- **The world of work (Employment Programme).** The announcement in 2020 of a relief commencing the following year for National Insurance Contributions of ex-Service personnel in the first year of their civilian employment followed a 2-year campaign inspired in part by a report commissioned by the Trust on self-employment. As The Royal Foundation, with whom the Trust enjoys a privileged strategic relationship, began to move away from its interest in ex-Service personnel, the Trust increased its interest in industry sector bodies. As Covid-19 struck, the building industry consortium that assisted ex-Service personnel into employment lost its corporate funding. Thanks to the work the Trust had previously conducted with BuildForce, it was able to provide expert advice, and bridge funding whilst it sought sustainable funding. A number of ex-Service personnel who would otherwise not have found a route into construction industry employment directly benefited from the Trust's support; but the real impact will be enjoyed by years of future Service leavers who will find a readier path into a more knowledgeable industry. Both these initiatives, together with the continued modest investment in the Deloitte-led 'Veterans Work' consortium, illustrate how in the Employment Programme the Trust has shifted its efforts from Change Mechanism 1 (knowledge and evidence) to 2 (influence and convening), 3 (collaboration and leadership) and 4 (capacity building). The level of grant awards in this Programme was low in 2020, but staff effort was high.

- **Wounded, Injured and Sick personnel (Health Programme).** ADVANCE is the Armed Services Trauma Rehabilitation Outcome Study. It is investigating the long-term physical and psycho-social outcomes of battlefield casualties from the UK Armed Forces following deployment to Afghanistan between 2002 and 2014. It is a unique and world-leading project. At the end of 2019, the Trust learned that ADVANCE had not secured substantial external funding that would allow it to operate beyond its start-up phase. Thanks to its network and reputation, the Trust was able quickly to convene relevant bodies for a round table. As a direct consequence of this leadership, the ADVANCE study secured funding for 10 years from the Headley Court Trust, Blesma and the Nuffield Trust. In 2020, the Trust decided to fund a 5-year position on the study to investigate specifically transition aspects of the cohort. It is almost impossible to measure the impact of the Trust's work, but its early pivotal role, advice and finally funding will positively affect a priority group of the Armed Force Community, namely those who have given most.
- **Non-UK personnel (Finance Programme).** A project on meeting the needs of non-UK personnel that was started in 2017 resulted in 2020 with the Minister for Defence People and Veterans publicly undertaking to work with the Home Office to offer greater flexibility such Service leavers. Aside from the many other benefits that the project had delivered, this was the first time that the UK Government had acknowledged that the issue (of settlement fees) warranted examination and change.
- **Enhancing the capability of the Armed Forces charities sector (Enabler Programme).** The Trust has always understood that a more effective Armed Forces charities sector leads directly to improved outcomes for members of the Armed Forces Community, and that central to its effectiveness is the part played by Cobseo. The Trust therefore played a leading role in supporting Cobseo last year in a number of ways. As well as contributing to the Cobseo Board as a permanent Director, the Trust's Chief Executive led on a Sector Strategic Review, and the formulation of a Digital and Data Strategy and associated Treasury business case. Thanks also to the Trust's intelligent challenge, another major sector change programme was paused pending review. The Trust, in conjunction with the Research Centre, led the Research Cluster throughout the year to improve sector awareness and collaboration. In addition, the Trust's staff advised many of the other clusters including Employment, non-UK, Care, Housing and Female serving and veterans, and also provided access to the Research Centre's knowledge hub and academic staff. The Trust also continued its support to Veterans Scotland, the membership infrastructure body representing Scottish Armed Forces charities, by funding a second 3-year term of its key Informing Scotland project, which continued to provide the glue binding the Armed Forces charities sector and the socket into which the public sector can and does plug. Finally the Trust's assistance to Cobseo to overcome the impact of Covid-19 is described earlier. The impact of this work can best be summarised in a quote from a small Armed Forces charity:

"Without this support I am not sure that we would have survived as a charity by the end of Covid-19 which would mean those veterans we help would feel lost and isolated, I would like to say a huge thank you for your support".

Influence

Much of the success of the Trust is achieved by influencing others to adopt policies and adapt service provision in accordance with evidence-based recommendations. Consequently, the Trust places a high premium on its network and its ability to reach into key decision makers. This requires continual external staff engagement and the constant generation of credible evidence. During the year, the Trust engaged at Ministerial levels in London, Cardiff and Edinburgh, and with the Veterans Commissioners in Scotland and Northern Ireland. In addition, the Trust spoke at meetings of Westminster's All-Party Parliamentary Groups on Veterans and the Armed Forces Covenant, the Welsh Government's Expert Group on the Armed Forces, and the Scottish Parliament's Cross-Party Group on the Armed Forces, and convened a mental health forum for the Labour Party's Friends of the Forces group. Many of these interactions were inspired by the Trust's determined efforts to bring policies and research reports, supported by a vigorous social media effort, to the attention of those with the power to make the necessary changes. Somewhat less in the headlines, but arguably with more substantial long-term outcomes, the Trust surged its efforts to become a recognized thought leader, with considerable success. Careful targeting of sector specialist media led to extensive coverage and substantial generated content, and hence greater interest in the Trust's work and wider knowledge of policy and other recommendations.

The Trust formed a strong collaborative relationship with the Office for Veterans' Affairs and through this was able to take its work to one of the Whitehall organizations most responsible for the Armed Forces Community. As a result, implementation of the UK Government's 'Strategy for our Veterans' was strongly influenced by the Trust. At local government level, the 'No Homeless Veterans' campaign, a key project within the Trust's Housing Programme, concluded having delivered key education on-line and via 121 face to face sessions, in all cases far exceeding the project's KPIs. The Trust also assembled some of its key grant holders to provide the UK contingent for an inter-governmental '5-Eyes' research conference, and publication of the Directory of Social Change's 'Sector Insight' report was distributed to every UK Parliament MP.

In academia, the Trust once again played an important convening role through its support of the King's College London annual Veterans' Mental Health conference, a truly global and world-leading event where the Trust's research projects formed the backbone of the programme. The Trust also part-convened and funded a unique conference on Domestic Violence and Abuse which attracted over 500 delegates, the first time a spotlight had been placed upon the needs of the Armed Forces Community.

With the Forces in Mind Trust Research Centre's conference having been postponed due to Covid-19, a shorter on-line session with the three annual award winners was held, to great acclaim. In its other work, the Research Centre continued to grow its repository, and the number of visitors to its research hub. Its reputation also grew, both internationally and with the Veterans Advisory and Pensions Committees, who are set to become more significant actors within the public sector supporting the Armed Forces Community. As well as fulfilling its sector influence role, the Research Centre met its objectives of providing support to the Trust's staff as well as to Cobseo cluster groups and member charities.

This year saw the culmination of a 10-month project to redevelop the Trust's website. The new website provides much greater visibility of all the Trust's work, from concept to delivery, better promotion of published reports and policy news, and easier access for Trustees to important information and papers. The website incorporates new security features, and has an easier interface for those submitting grant applications. The cost of the website was £47,520 with much of the graphics work also being used in other areas, such as social media and the annual Impact Report.

A fuller description of the Trust's impact, influence and engagement can be found in the 2020 Impact Report <http://www.fim-trust.org/reports/>

Beneficiaries of our services

The beneficiaries of the Trust's services are former members of the United Kingdom's Armed Forces, and their families. The Trust's strategy of achieving impact through its four Change Mechanisms listed previously means that benefit is gained not by the direct provision of welfare, relief in need or other grants, but by the improvements made to the support and preventative work provided by the public, private and voluntary sectors.

Financial review

At the end of 2020 the Trust held total unrestricted charity funds of £23.677 million (2019: £27.193 million). Despite finishing on a high, concerns about global market volatility remain due to the Covid-19 pandemic, and the Finance and Investment Committee reviewed and decided to recommend to the Board (who agreed) in June 2020 a halt to the replenishment of 'cash instruments' which had been set at that required to maintain the Trust's current level of activity and grant awarding for a 2-year period without drawing down from the medium-term investment portfolios. At the close of 2020, a total of £4.533 million (2019: £6.272 million) was held by the investment managers in liquid funds. This is in addition to the instant access bank account holdings, described in the subsequent section on Reserves.

Draw down from medium-term funds totalled £3.5 million (2019: £4 million), and this, combined with stock market gains, led to the value of the portfolios managed by Cazenove and Sarasin reducing by £1.786 million to £28.258 million (2019: £30.044 million). As a result of drawdowns, investment income fell to £492.7k (2019: £628.7k). With the Trust required to have spent out by November 2031, the Directors are satisfied that the planned Grants and Commissioning Plan, incorporating costs associated with monitoring and evaluation, is currently set at an appropriate level and that the Trust's other (ie non-grant awards) costs of £889.6k (2019: £910k) represent good value and reflect the Board's strategic intent to invest in increasing the Trust's impact.

For much of 2020, the Trust's offices in London were unoccupied. In December, the Directors agreed that retaining the sub-lease within Mountbarrow House represented the most cost-effective option. To enable the extended periods of remote working, the Trust incurred additional

expenditure of £3,231 (eg postal redirection, office chairs and additional computer screens for home working) and was passed through rent rebates totalling £13,292.

In recognition of the clarity provided by the Board's ongoing discussion on the Trust's future plans, work entitled 'reconfiguring the endowment' was begun, to be concluded by the end of 2021. It includes an examination of how best to manage medium-term investments, how to limit the impact of stock market volatility, and how to ensure the Trust continues to gain maximum impact from its resources. At the beginning of 2021, it was decided to reconstitute the 'cash instruments' to £6 million.

Principal risks and uncertainties

During the course of the year, the Directors considered the major risks to which FiMT is exposed and the systems that it has to mitigate them. The Directors concluded that there are policies, procedures and systems in place to deal with the identified risks, which have been captured and are routinely managed through a comprehensive Risk Register.

The Board has assessed that the major strategic risk to FiMT is that it fails to have delivered sufficient impact at the end of its 20-year life. It is controlling that risk by further implementing its programmatic approach, and by taking early steps to consult, identify and plan for when the current endowment is spent out.

The Board has assessed that the major legal and regulatory compliance risk to FiMT is failure to keep abreast of regulatory changes. It is controlling that risk by a combination of advice and updates from professional advisers including Cobseo and other third sector organizations, and technical knowledge of the Board and staff, both of whom undergo regular relevant training. An internal Conformance Review Programme continues to identify and review conformance with policies following a risk-based approach.

The Board has assessed that the major operational risk to FiMT is staff turnover and/or unexpected absence resulting in under-staffing and loss of corporate knowledge. It is controlling that risk by enhancing the employment 'offer' and by investing in staff development and so providing contingent capacity across the team. A full review of all roles and job descriptions was conducted in February 2020 to ensure remuneration is set at appropriate levels and hence support retention and, where necessary, recruitment.

The Board has assessed that the major financial risk to FiMT is that Equity market volatility causes encashment of medium-term investments at low values in order to maintain planned expenditure. It has controlled the risk through its investment policy as described later, by proactive engagement with FiMT's two Investment managers, and by the membership of two lay advisers on the Finance and Investment Committee with investment expertise.

The Board has assessed that the major governance risk to FiMT is insufficient Board capacity or skills. It is controlling that risk by running inclusive and active recruitment campaigns based upon a matrix of skills and experience.

The main uncertainty faced by FiMT has been the level of grant and commission awards that will be made over the remainder of the Trust's 20-year life. To reduce this uncertainty, the Board has established a 4-year mission spend target, at the end of which it intends to have identified its approach to the Trust's remaining years under the current endowment.

In addition to these risks and uncertainties, the Directors conducted a rolling review of the impact of the extended periods of remote working brought on by the national response to the global pandemic, and a specific review of the Trust's Business Continuity Plan. Advice on governance and operational matters was readily available from a range of infrastructure and professional organizations. The Directors are content that the Trust continues to meet all its statutory requirements, delivers best practice, has processes in place to adapt to a changing environment, and is a learning organization.

Investment policy

The Investment Policy is based upon the ability to fund 24 months of operations and grant making at full planned rates without drawing down on medium-term investments. This equates to approximately £6m. There are therefore two objectives for each Investment Manager:

- To each maintain at all times £3m in cash instruments in separate segregated mandates. This was achieved when directed. The condition was temporarily removed by the Board in June 2020 and re-instated in February 2021.
- To generate a real return of 3% annually over a rolling 5-year period from the remaining medium-term investments, after expenses and using CPI as the inflation measure. Over the last 12-month period, returns were positive with Cazenove at 2.8% (2019: 8.8%) and Sarasin at 7.2% (2019: 13.6%). Since inception, overall performance against target has been 30.4% for Cazenove and 52.7% for Sarasin. The Finance and Investment Committee has instigated work on 'reconfiguring the endowment' that will overcome such performance disparity.

The Trust's Grants and Commissioning Plan and operating costs are funded both by investment income and cash withdrawal. This requires both Investment Managers to forecast investment income from (reducing) capital accurately and FiMT to give proper notice to Investment Managers of projected cash withdrawals required in the following 12 months at least.

At the beginning of 2021, having taken into account work on 'reconfiguring the endowment', the Board approved the formal investment policy statement for 2021 in accordance with Charity Finance Group best practice.

Reserves policy and going concern

The Trust's reserves policy is to maintain 24 months of operating costs, committed grant payments, and future grant making at the full strategically planned rates in a combination of an instant access bank account and held by the Investment Managers as cash/cash instruments to ensure FiMT's ability to fulfil its Grants and Commissioning Plan. The balance of the funds is held by the Investment Managers in medium-term portfolios in accordance with the Investment Policy. The Directors consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Cash held in the instant access bank account is calculated so as to meet monthly cash flow forecasts and can be replenished at 24 hours' notice from Investment Managers' cash/cash instruments. At 31 December 2020, cash flow for January 2021 was forecast to be £215k and instant access bank account holdings were £477k (31 December 2018 – £1.092 million)

The Directors do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Directors are aware that there are net current liabilities, but this is principally due to timing and the fact that liabilities are recognised in full for the following 12 months but there is no corresponding income recognised. In addition, the Trust has significant resources available in fixed asset investments which can be drawn down as required to fund working capital.

Plans for the future

This year saw the Trust's ability to influence policy makers grow significantly, and therefore the Programmatic Approach with its emphasis on coherence and impact is one the Trust intends to continue to pursue, indeed to accelerate. Directors approved the establishment of one additional position within the Policy team in order to further grow this influence capability.

The founding of the Office for Veterans' Affairs and the Northern Ireland Veterans Commissioner provides further opportunities to bring the Trust's recommendations to the fore, and the ubiquity and acceptance of remote meetings has greatly increased the ease with which contact can be made, and collaborations forged. These play to the strengths of the Trust as well as its strategic aspirations.

The work the Board reviewed on 'Life beyond 2031' led directly to the clearest direction on how much of, and upon what, the Trust's resources should be expended over the next four years. The £2.6 million pa mission spend has now defined the parameters within which the Trust will operate its Programmes, and 'Positioning for a More Strategic Approach' has ensured that the Trust is best configured to achieve its mission in its second decade.

The Directors confirmed that the Forces in Mind Trust Research Centre should continue for a second 5-year term from September 2022, and allocated the necessary total budget of £2.5

million within the mission spend envelope. A competitive tendering process is underway to identify a suitable host and provider.

It is normal at this point to comment upon the output from the Trust's Annual Strategy Review (awayday) held early in the year following the reporting period. Continued national restrictions on meetings and movement led to the Board electing to conduct a short remote session in February 2021 with the intention of holding the more traditional one day face-to-face Strategy Review in May, or when permitted. The Directors were confident that this small delay to collaborative strategic thinking was inconsequential. The stage of development of the Programmatic Approach strategy, the Board papers 'Positioning for a More Strategic Approach' and 'Life Beyond 2031' having been endorsed during 2020, and the ongoing work described elsewhere on 'Reconfiguring the Endowment' meant that the Trust's strategic development was as thorough and vigorous as it had ever been. The short February review concluded that the Trust should develop clearer priorities for its Programmes, refine its strategic planning process, and investigate more effective impact measurement for its policy influence.

Structure, governance and management

Forces in Mind Trust is an unincorporated charity registered as a charity on 31 January 2012. The Forces in Mind Trust was established under a sole corporate trustee, FIM Trustee Limited (Trustee), on 21 November 2011 and the Trust Deed was agreed between BIG (the Founder) and Trustee on 28 November 2011. BIG is now known as the National Lottery Community Fund.

All Directors give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Notes 4 and 7 to the accounts.

The Board meets quarterly. The Protector of the Trust also attends Board meetings. The Board has three sub-committees, and has approved Terms of Reference and appointments for each. The Governance (bi-annually) and the Finance and Investment (quarterly) Committees meet regularly to review relevant issues, and to monitor the work of, and provide advice to, the Executive Team. The Programmes Committee assesses and awards grants and commissions to applicants, advises on aspects of the Trust's influence planning and activity, and also supports the Executive Team as required in this activity. The Programmes Committee may authorise the award of grants for projects up to an agreed limit. Applications for grants outside this envelope or above the project limit, or which the Programmes Committee believes should be seen by the Board, must be assessed first by the Committee and recommendations made to the Board accordingly. All three committees provide a written report to each Board meeting.

Following an extensive review 'Positioning for a More Strategic Approach', the Committee's level of financial delegated authority was raised to £400,000 per project, provided it falls within the budget envelope (known as mission spend) agreed annually by the Board, and is not 'novel or contentious'. In addition, the Chief Executive's delegated authority for micro-grants and contingency awards was raised to £50,000. These changes were agreed by the Board in

September 2020, and will be subject to a formal review 12 months later. The Trust's Regulations, Grants Manual and Committee Terms of Reference were amended accordingly.

Throughout 2020, the Trust conducted its Mental Health Research Programme, constituted by a Steering Group under the remunerated co-chairmanship of the Centre for Mental Health and King's Centre for Military Health Research. The Steering Group provides expert advice to the Grants and Commissioning Committee and to the Executive Team, but has no grant awarding authority. One Director also sits in attendance at Steering Group meetings.

The Forces in Mind Trust Research Centre is governed by an Executive Committee, chaired by a nominated Trust Director. The Centre's full-time director, a University employee based at Anglia Ruskin University, works from the Trust's offices once a week when restrictions permit and submits a formal quarterly report to the Board. Both the Director and the Academic Chair of the Research Centre brief the Board in person biannually. The Centre is advised by a strategic panel and an advisory group.

At the end of 2020, the Charity Governance Code was updated and reissued. Whilst the structure of the Code is broadly unchanged, the refreshed Code focuses on the third and sixth principles of Integrity and Diversity (now flanked by Equality and Inclusion). The Board, via the Governance Committee, considered the changes and initiated an action plan to ensure the Trust remained fully compliant with the Code.

Complementing the Code's new emphasis on Equality, Diversity and Inclusion, the Directors had already discussed how the Trust should change its approach to this area earlier in the year. The arrival into mainstream consciousness of the Black Lives Matter movement provided further impetus. Recognizing that it will take intentional, sizeable and persistent effort to generate significant progress, the Board decided that the Trust needed to invest in the cultural foundations so that equality, diversity, and inclusion in their many forms, can flourish. The Board identified three specific areas: Board composition; Staff composition and workplace; and the Trust's Programmes.

By adopting sector best practice, the recruitment in early 2021 of two independent Directors will be used to increase the diversity of the Board's composition. Staff composition and recruitment processes reflect and enable a diverse and inclusive executive team. Discussions with Cobseo, which has produced a clear plan for its members, will identify the role the Trust can play as a catalyst for generating the necessary changes in the sector, and the Trust intends to integrate this into its approach, as well as its own Programmes.

The Directors have delegated day-to-day running of the Trust to the Chief Executive, Air Vice-Marshal Retd Ray Lock CBE.

Appointment of Directors

At the start of the reporting period, the Board had 13 Directors, comprising the Chair (an independent Director), 5 Directors who were nominated by Cobseo, and 7 other independent Directors who ensure a wide range of skills and knowledge, listed previously. Three Directors stood down and one was recruited during this period. At the start of 2021, the Board held three vacancies and recruitment was underway to fill two independent Directors to cover a range of skills, experiences, attributes and characteristics. In June 2021, there is one vacancy (independent). Directors are aiming for a Board size of 12 to 13 (5 Cobseo and 8 independent), consistent with Charity Governance Code best practice, and will use the remaining vacancy when appropriate to develop future members and improve diversity.

The Trust recognises and embraces the benefits of having an inclusive organization that makes good use of differences between Directors, staff and external partners. In this context, FiMT recognises such differences can include gender, race, national and ethnic origin, colour, religion, age, sexual orientation, marital and family status, and physical or mental disabilities, as well as differences in political and other beliefs. The Trust ensures that all individuals are provided with equal opportunities and seeks positively to create opportunities for those groups that may be disadvantaged.

Director induction and training

New Directors (one this year) receive induction briefings from the Board and Committee chairs, the Protector and the Chief Executive in accordance with a continuously reviewed programme. Depending upon a new Director's experience, access to legal, trust and military expert briefings are also arranged as required. The Trust meets the full costs of such attendances. Departing Directors (three in 2020) conduct 'exit' interviews with the Board Chair and Chief Executive.

Current Directors are offered attendance at a range of professional development events throughout the year, for which the Trust will pay. In particular, NCVO, ACEVO, ACF, Legal Adviser and Investment manager programmes are highlighted to Directors in the Trust's monthly Newsletter. The Operations Manager maintains a log of all such events attended by Directors.

The Board reviews its own performance and that of individual Directors, including the Chair. All Directors conduct an annual one-to-one discussion with the Board Chair, during which any training needs are identified. The Deputy Chair in turn discusses the Chair's needs. In addition, Directors are strongly encouraged to attend Committees of which they are not members, including the Mental Health Research Programme Steering Group, and it is expected that all Directors will attend a Programmes Committee meeting at least once during each term of office (3 years maximum).

External evaluation of collective Board performance was not considered necessary this year; the presence of the Protector at all Board meetings provided adequate independent review. However, in recognition of the challenges faced by remote working, the first on-line Board meeting was

externally assessed by the Trust's regular expert facilitator. His report was considered by the Governance Committee and Board, and his conclusions were noted.

Related parties and relationships with other organizations

The Trust has in place robust procedures for handling conflicts of interest. In particular, Directors and staff with a conflict of interest are not present when discussions are held and funding decisions are made in relation to that interest. The Trust maintains a full register of interests, which is brought to Directors' attention at every meeting, and is also available on the organization's website.

ABF – The Soldiers' Charity

The Chief Executive of ABF – The Soldiers' Charity is also a Director of FIM Trustee Limited. The FiMT Protector is also a Trustee of ABF – The Soldiers' Charity. FiMT has a lease with ABF – The Soldiers' Charity for room hire and premises services provided at Mountbarrow House. Rent and service charges in respect of this lease for the year to 31 December 2020 were £ 78,537 (2019: £80,116) and pass-through cost for postal and other services was £6,520 (2019: £5,114). Rent and services remain substantially below market rate and ABF – The Soldiers' Charity continues to act in the Trust's interests in its dealings with the Landlord, Grosvenor Estates.

Barclays Bank UK PLC

An employee of Barclays Bank UK PLC is also a Director of FIM Trustee Limited. At the year end, £273 (2019: £241) was paid for banking services to Barclays Bank UK PLC and Barclaycard.

Cobseo

The Executive Chair of Cobseo is also a Director of FIM Trustee Limited. Up to 5 members of the Board of Directors of FIM Trustee Limited are nominated by Cobseo and appointed by FiMT. There have been two direct transactions between FiMT and Cobseo. At the year end, £570 (2019: £550) membership fee was paid on behalf of FiMT, and £70.40 expenses was paid for attendance at a Cobseo organised event. During the period, Cobseo's Housing Cluster was awarded £ 219,243 for the project 'A Roadmap to ensure achievement of No Homeless Veterans', coordinated by The Riverside Group Limited, described under Note 5 to the Financial Statements. Payments to Chairman of Cobseo were exclusively for personal expenses associated with his role as a Director of FIM Trustee Limited, and are included within Note 7 to the financial statements.

King's College London – King's Centre for Military Health Research

An Honorary Professor of King's Centre for Military Health Research (KCMHR), which is a part of King's College London (KCL), is also a Director of FIM Trustee Limited. During the period, FiMT

awarded 5 research contracts directly to KCL which are described under Note 5 to the Financial Statements, and which totalled £420,460.11 (2019: £967,616.78).

RAND Europe

The President (Chief Executive) of RAND Europe is also a Director of FIM Trustee Limited. No awards were granted to RAND Europe during the period, but it is a current FiMT grant holder.

The Poppy Factory

The Chief Executive of the Poppy Factory is also a Director of FIM Trustee Limited. No awards were granted to The Poppy Factory during the period, but it is a current FiMT grant holder.

The Sir Oswald Stoll Foundation

The Chair of Trustees of The Sir Oswald Stoll Foundation is also the Chief Executive of Forces in Mind Trust/FIM Trustee Limited. No awards were granted to The Sir Oswald Stoll Foundation during the period, but it was, on behalf of Cobseo's Housing Cluster, a FiMT grant holder until April 2020.

Remuneration policy for key management personnel

In March 2016, the Board adopted a formal remuneration policy based upon an incremental salary scale, benchmarked annually using a leading market provider (currently Croner Reward) to cover cost-of-living and market comparators. The Governance Committee recommends to the Board the appropriate award for the forthcoming tax year. In March 2020, the Board accepted the Governance Committee's recommendations, all of which met the Policy requirements. The Policy will be formally reviewed during 2021, ahead of the 2022 remuneration review.

In addition to the annual salary review, the Trust also considers other employee benefits, where it is guided by sector comparators. All staff receive death-in-service insurance, and can take advantage of a cycle-to-work scheme and season ticket loan. The annual health screening did not take place in 2020 because of Covid-19 restrictions but all employees still have access to an employee assistance programme and confidential employee hotline. Annual leave at 30 days (plus bank holidays) is above sector average, and the Trust offers flexible working and 'time off in lieu'. The Board uses all these factors to encourage retention, which remains high; only one employee has served for less than two years.

Statement of responsibilities of the Directors

The Directors are responsible for preparing the Directors' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Directors 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 of the charity for that period. In preparing these financial statements, the Directors 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Directors 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. 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 Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors' report has been approved by the Directors on 8 June 2021 and signed on their behalf by:

H J R Pung
Chair of the Board

Air Vice-Marshal Retd R Lock CBE
Chief Executive

Report of the Protector for the year ended 31 December 2020

Background

I was appointed as the Protector of the Forces in Mind Trust ("FIMT" or "the Trust") in November 2011 for a 5 year term. My appointment was extended in September 2016 for a further 5 years and will expire in November 2021.

Pursuant to the Trust Deed dated 28 November 2011 constituting the Forces in Mind Trust, I am required to prepare a statement for publication by the Trustee (FIM Trustee Limited) in its annual report, explaining the Protector's function, how the function has been exercised and, if appropriate, identifying any areas of administration which require improvement and steps to be taken by the Trustee to effect such improvement.

Protector's Function

The function of the Protector is to ensure that the Trustee administers the Trust properly and to protect the Trust property. The principal objects of the Trust are set out elsewhere in this document. The Trust property consists of a portfolio of investments and cash derived from an original settlement on the Trust by the Big Lottery Fund – now titled the National Lottery Community Fund ("the Fund") of £35 million. If necessary, the Protector must report matters of serious concern to the Fund or to the Charity Commission. The Protector therefore has a "watch-dog" role and must monitor the Trustee and prevent it from abusing its powers or breaching its duties. More positively, the Protector must seek to ensure, as far as possible, that the Trust is administered in accordance with the terms of the Trust Deed and give or withhold consent or approval to the exercise of certain powers by the Trustee.

How I have discharged the Protector's function

I attended the four board meetings held during the year ended 31 December 2020. I also joined the Board strategy away day which took place in February 2020 and attended a meeting of the Programmes Committee in May 2020. In addition, I have had a number of meetings with, and spoken to, the Chair, other trustees and the Chief Executive of the Trust, as required, during the course of the year.

I have given advice on the interpretation and application of certain provisions in the Trust Deed during the course of the year. I have not been required to consider or approve any changes to the constitution of the Trust.

Administration and Governance of the Trust

I am satisfied that the Trust has been administered in accordance with the terms of the Trust Deed in the year to 31 December 2020.

Protector's report

For the year ended 31 December 2020

Three trustees stepped down during the course of the year. I am satisfied that there were no factors relating to these resignations that have an impact on the operation or governance of the Trust.

One new trustee was appointed during the year. The new trustee was nominated by the Confederation of Service Charities ("Cobseo"), which has the right to nominate up to 5 individuals for appointment to the Board. At the end of the year, there were 11 trustees in post, with two vacancies. The trustees have decided to reduce the number of trustees in post from 14 (the maximum permitted by the Trustee's constitution) to 12 individuals, 5 of whom will be nominated by Cobseo. This ratio preserves an appropriate balance between the independent and Cobseo nominated directors, whilst ensuring that the Trust benefits from the knowledge and sector expertise of the Cobseo representatives. In recruiting for the current vacancies, the Trustees are mindful of the need to achieve, if possible, greater diversity on the Board. This is an open recruitment process.

Covid lockdown and social distancing restrictions have resulted in three of the four Board meetings held during the year taking place on an online virtual meeting platform. The Board and the executive team have adapted well to this different environment. Board discussions have continued to be open and constructive with an appropriate level of robust scrutiny and challenge. Attendance at Board and Committee meetings has generally been good. An independent external facilitator attended one of the virtual Board meetings to observe and offer useful and positive feedback about Board behaviours and effectiveness.

The administration of the Trust's activity is generally efficient and effective. There continues to be, in my view, an appropriate delegation of authority and workload from the full Board to the three functioning committees of the Board: the Finance and Investment Committee, the Programmes Committee and the Governance Committee. Reports from each of the Committees are presented at each Board meeting.

The Board has reviewed and increased the level of delegated authority given to the Programmes Committee (PC) to approve grants. The effect of this change will be to reduce the number of grants that are referred from the PC to the full Board for approval. Setting a higher threshold is a pragmatic step, given the time that needs to be taken to scrutinize each grant properly and the difficulty faced by the Board when asked to approve a grant that has already been endorsed by the executive team and the PC. There is a risk, however, that those trustees who do not sit on the PC will become less well informed about the detail of the programmes. This can be addressed by the executive and the PC bringing an in-depth review (a 'Deep Dive') of each of the seven FiMT programmes to the full Board on a rolling basis and continuing to encourage the trustees who do not sit on the PC to attend meetings of that committee from time to time to gain a better understanding of its work.

I am satisfied that there is a proper division between the strategy setting, oversight and monitoring role of the Board and the day to day responsibilities of the executive team.

The Executive Team

The executive team has spent much of the year working from home due to covid restrictions. Despite this challenge, there has been no discernible reduction in output, enthusiasm or efficiency. Ray Lock, the Trust's CEO, informed the Board part way through the year of his intention to step down as CEO in June 2021 after 9 years in post. The progress that FiMT has made and its now established reputation and ability to influence is in large measure due to Ray Lock's hard work, energy, persistence and leadership. The recruitment of the new CEO was completed by December 2020, allowing 6 months for an orderly transition and handover, notwithstanding the continuing challenges of lockdown.

The impact of covid-19

There are reports elsewhere in this document of the impact of covid-19 on the Trust's activities, on the military charity sector and on those the Trust seeks to help. From my perspective as Protector, I am satisfied that:

- appropriate steps have been taken to enable the executive team to work effectively and safely from home;
- as noted above, the Board and the Board Committees have continued to discharge their respective strategic review and oversight functions;
- the impact of covid-19 pandemic and related restrictions on the FiMT programmes, on the sector and on beneficiaries was assessed at an early stage and has been kept under review and, where necessary, the Trust has changed its focus and delivery; and
- the Trust's endowment and cashflow requirements have been closely and prudently monitored by the Finance and Investment Committee.

The next 5 years

I reported last year on the ongoing strategic debate about the legacy of FiMT and in particular whether the Trust's work could continue in some form beyond the end date of the Trust in November 2031. The Board has taken two important decisions this year. Firstly, the Board agreed a spenddown profile that will allow the Trust to maintain the current rate of spend for the next few years, moving increasingly from evidence generation to the pursuit of change through influencing activities, exploiting the research and knowledge generated over the first 10 years of the Trust's life. This change in emphasis from output to impact, through dissemination of evidence based best practice and holding government and delivery bodies and organisations to account, will be a critical task for the Trust over the next 5 years. I am pleased to note that the Board has approved further investment in the executive team to enable the influencing and exploitation work to be undertaken without an adverse impact on the ongoing programmes work.

Secondly, the Board has put in train a review of the activities and impact of the FiMT Research Centre as part of the process of determining whether to extend the Trust's existing contract with Anglia Ruskin University, which ends in September 2022, on the same or revised terms or whether

Forces in Mind Trust

Protector's report

For the year ended 31 December 2020

to seek a new partner. An important component of the tender process will be to explore whether the FiMT Research Centre can become wholly or partly independently funded which would go some way towards securing the legacy of FiMT beyond 2031.

Simon Martin

Protector – Forces in Mind Trust

February 2021

Opinion

We have audited the financial statements of Forces in Mind Trust (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 31 December 2020 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
- Have been prepared in accordance with the requirements of the Charities Act 2011

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

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

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

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

Other Information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- The information given in the trustee's annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept; 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 the trustee

As explained more fully in the statement of trustee's responsibilities set out in the trustee's annual report, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the Finance & Investment Committee Meeting, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.

Independent auditor's report

To the trustee of

Forces in Mind Trust

- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charity's trustee as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustee 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 charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

11 June 2021

Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Forces in Mind Trust

Statement of financial activities

For the year ended 31 December 2020

	Note	Endowment £	Unrestricted £	2020 Total £	2019 Total £
Income from:					
Investments	3	455,695	–	455,695	628,687
Total income		455,695	–	455,695	628,687
Expenditure on:					
Raising funds		–	134,853	134,853	139,834
Charitable activities					
Knowledge and Evidence		–	3,845,364	3,845,364	2,687,322
Collaboration and Leadership		–	11,841	11,841	139,943
Influence and Convening		–	818,246	818,246	503,472
Capacity Building		–	445,769	445,769	166,650
Total expenditure	4	–	5,256,073	5,256,073	3,637,221
Net income / (expenditure) before net gains / (losses) on investments		455,695	(5,256,073)	(4,800,378)	(3,008,534)
Net gains on investments	12	1,284,205	–	1,284,205	2,985,519
Net income / (expenditure)	6	1,739,900	(5,256,073)	(3,516,173)	(23,015)
Transfers between funds	17	(5,256,073)	5,256,073	–	–
Net movement in funds		(3,516,173)	–	(3,516,173)	(23,015)
Reconciliation of funds:					
Total funds brought forward		27,192,854	–	27,192,854	27,215,869
Total funds carried forward	17	23,676,681	–	23,676,681	27,192,854

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

Forces in Mind Trust

Balance sheet

As at 31 December 2020

	Note	£	2020 £	2019 £
Fixed assets:				
Tangible assets	11		1,440	4,320
Investments	12		28,258,465	30,044,107
			<u>28,259,905</u>	<u>30,048,427</u>
Current assets:				
Debtors	13	21,792	5,044	
Cash at bank and in hand		477,048	1,091,931	
		<u>498,840</u>	<u>1,096,975</u>	
Liabilities:				
Creditors: amounts falling due within one year	14	(3,094,891)	(2,485,553)	
Net current liabilities			<u>(2,596,051)</u>	<u>(1,388,578)</u>
Total assets less current liabilities			25,663,854	28,659,849
Creditors: amounts falling due after one year	15		<u>(1,987,173)</u>	<u>(1,466,995)</u>
Total net assets	16		<u><u>23,676,681</u></u>	<u><u>27,192,854</u></u>
The funds of the charity:				
Endowment funds			23,676,681	27,192,854
Unrestricted general funds			–	–
Total charity funds	17		<u><u>23,676,681</u></u>	<u><u>27,192,854</u></u>

Approved by the trustee on 8 June 2021 and signed on their behalf by

H J R Pung
Chairman of the Board

Air Vice-Marshal R Lock
Chief Executive

Forces in Mind Trust

Statement of cash flows

For the year ended 31 December 2020

	Note	2020 £	£	2019 £	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		(3,516,173)		(23,015)	
Dividends, interest and rent from investments	3	(455,695)		(628,687)	
Gains on investments		(1,284,205)		(2,985,519)	
(Increase)/decrease in debtors		(16,748)		16,693	
Increase/(decrease) in creditors		1,129,516		(562,344)	
Net cash used in operating activities			(4,143,305)		(4,182,872)
Cash flows from investing activities:					
Dividends and interest from investments		455,695		628,687	
Depreciation of fixed assets		2,880		2,880	
Proceeds from sale of investments		6,707,589		7,725,578	
Purchase of investments		(5,377,365)		(3,379,342)	
Cash movement within investment portfolio		1,739,623		(260,180)	
Net cash provided by investing activities			3,528,422		4,717,623
Change in cash and cash equivalents in the year			(614,883)		534,751
Cash and cash equivalents at the beginning of the year			1,091,931		557,180
Cash and cash equivalents at the end of the year			477,048		1,091,931

1 Accounting policies

a) Statutory information

Forces in Mind Trust is an unincorporated charity, registered with the Charity Commission in England and Wales.

The registered office address is Mountbarrow House, 6–20 Elizabeth Street, London, SW1W 9RB.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a ‘true and fair’ view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a ‘true and fair view’. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

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

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Key judgements that the charity has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

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

Income from government and other grants, whether ‘capital’ grants or ‘revenue’ grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation 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), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity 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.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

The expendable endowment fund provided by the Big Lottery Fund will be used over a 20 year period to support the charitable activities of the Trust. In accordance with the Trust Deed, the whole of the Trust Fund and Income will have been applied in furtherance of the charitable objectives by 28 November 2031. Transfers are made from the endowment fund to cover expenditure incurred during the year by the Trust

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

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 relate to investment manager fees
- Expenditure on charitable activities includes the costs of grant making undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

● Knowledge and Evidence	48.8%
● Collaboration and Leadership	0.2%
● Influence and Convening	10.4%
● Capacity Building	5.7%
● Cost of raising funds	10.0%
● Governance costs	25.0%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with the constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Grants payable

Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Multi-year grants are fully accounted for in the year the grant is approved. Payments falling due in later years are provided for as a liability on the balance sheet. This reflects the Trust's experience that only in exceptional circumstance are approved grants subsequently not paid.

l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £5,000, including VAT. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. Software is assumed to have a useful economic life of five years and depreciated on that basis on a straight line basis. Assets not yet in use but which are expected to be utilised in future at held at cost until they are brought into use.

n) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

1 Accounting policies (continued)

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions

Creditors and provisions are recognised where 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

With the exception of the listed investments described above, the charity only has financial assets and financial 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Financial instruments

The charity only has financial assets and financial 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

s) Pensions

The charity makes payments to defined contribution pension schemes on behalf of employees. The assets of the schemes are held separately from those of the charitable company in independently administered funds. The pension cost charge represents contributions payable to the funds during the year. The charity has no liability under the schemes other than the payment of those contributions.

2 Detailed comparatives for the statements of financial activities

	Endowment £	Unrestricted £	2019 Total £
Income from:			
Investments	628,687	–	628,687
Total income	628,687	–	628,687
Expenditure on:			
Raising funds	–	139,834	139,834
Charitable activities	–	3,497,387	3,497,387
Total expenditure	–	3,637,221	3,637,221
 Net income / expenditure before gains / (losses) on investments	 628,687	 (3,637,221)	 (3,008,534)
Net (losses) / gains on investments	2,985,519	–	2,985,519
 Net income / expenditure	 3,614,206	 (3,637,221)	 (23,015)
Transfers between funds	(3,637,221)	3,637,221	–
Net movement in funds	(23,015)	–	(23,015)
Total funds brought forward	27,215,869	–	27,215,869
Total funds carried forward	27,192,854	–	27,192,854

3 Income from investments

	2020 Total £	2019 Total £
Income from investments	454,491	624,651
Bank interest	1,204	4,036
	455,695	628,687

All income from investments is allocated to endowment funds.

Forces in Mind Trust

Notes to the financial statements

For the year ended 31 December 2020

4a Analysis of expenditure (current year)

	Charitable activities							2020	2019
	Cost of raising funds £	Knowledge and Evidence £	Collaboration and Leadership £	Influence and Convening £	Capacity Building £	Governance costs £	Support costs £	Total £	Total £
Staff costs (Note 7)	40,227	235,348	725	50,079	27,282	119,004	86,041	558,706	557,981
Recruitment costs	–	–	–	–	–	–	28,850	28,850	3,223
Travel and subsistence	–	5,220	16	1,111	605	3,080	–	10,032	30,813
Grants payable (Note 5)	–	3,278,685	10,095	697,663	380,078	–	–	4,366,521	2,727,300
Investment manager's fees	42,772	–	–	–	–	–	–	42,772	50,081
Advisors' fees and expenses	–	–	–	–	–	15,161	–	15,161	15,149
Auditors' remuneration	–	–	–	–	–	8,900	–	8,900	8,690
Premises costs	–	–	–	–	–	–	78,538	78,538	79,018
Legal and professional fees	–	69,090	213	14,702	8,009	–	–	92,014	101,084
Marketing and communications	–	–	–	–	–	–	–	–	2,142
Directors' expenses	–	–	–	–	–	2,671	–	2,671	6,322
Office costs	–	–	–	–	–	–	51,908	51,908	55,418
	82,999	3,588,343	11,049	763,555	415,974	148,816	245,337	5,256,073	3,637,221
Support costs	24,534	119,740	369	25,479	13,881	61,334	(245,337)	–	–
Governance costs	27,320	137,281	423	29,212	15,914	(210,150)	–	–	–
Total expenditure 2020	134,853	3,845,364	11,841	818,246	445,769	–	–	5,256,073	
Total expenditure 2019	139,834	2,687,322	139,943	503,472	166,650	–	–		3,637,221

4b Analysis of expenditure (prior year)

	Charitable activities							2019 Total £
	Cost of raising funds £	Knowledge and Evidence £	Collaboration and Leadership £	Influence and Convening	Capacity Building £	Governance costs £	Support costs £	
Staff costs (Note 7)	40,175	241,031	12,521	43,824	15,651	118,850	85,929	557,981
Recruitment costs	–	–	–	–	–	–	3,223	3,223
Travel and subsistence	–	20,283	1,054	3,688	1,317	4,471	–	30,813
Grants payable (Note 5)	–	2,094,355	109,140	395,659	128,146	–	–	2,727,300
Investment manager's fees	50,081	–	–	–	–	–	–	50,081
Advisors' fees and expenses	–	–	–	–	–	15,149	–	15,149
Auditors' remuneration	–	–	–	–	–	8,690	–	8,690
Premises costs	–	–	–	–	–	–	79,018	79,018
Legal and professional fees	–	77,835	4,043	14,152	5,054	–	–	101,084
Marketing and communications	–	1,649	86	300	107	–	–	2,142
Directors' expenses	–	–	–	–	–	6,322	–	6,322
Office costs	–	–	–	–	–	–	55,418	55,418
	90,256	2,435,153	126,844	457,623	150,275	153,482	223,588	3,637,221
Support costs	22,359	111,906	5,813	20,347	7,267	55,896	(223,588)	–
Governance costs	27,219	140,263	7,286	25,502	9,108	(209,378)	–	–
Total expenditure 2019	139,834	2,687,322	139,943	503,472	166,650	–	–	3,637,221

Notes to the financial statements

For the year ended 31 December 2020

5 Grant making

	2020 £	2019 £
Creditors at the start of the year	3,893,782	4,450,143
Grants awarded in the year (Note 4 and detailed below)	4,151,301	2,573,688
Costs related to monitoring and evaluation of grants awarded	215,220	153,612
Grants paid	(3,260,169)	(3,283,661)
Total creditors at the end of the year	5,000,134	3,893,782
Creditors due within one year (Note 14)	3,012,961	2,426,787
Creditors due in over one year (Note 15)	1,987,173	1,466,995
Total creditors at the end of the year	5,000,134	3,893,782

Grants awarded in the year:	Charitable Activity	2020 £	2019 £
Understanding the transition to civilian life for ex-Service personnel with physical conditions as a direct result of Service or acquired whilst in Service. University of Central Lancashire with the University of Salford	Knowledge and Evidence	–	149,625
The Poppy Factory IPS Pilot for Wounded, Injured and Sick Veterans.			
The Poppy Factory	Knowledge and Evidence	–	289,843
Shoulder to Shoulder Erskine Online. TimeBank	Knowledge and Evidence	–	143,281
Detailing the specific needs of veterans who have committed serious offences of harm for informed probation practice. Probation Institute	Knowledge and Evidence	–	80,404
The evolution of post-traumatic stress disorder in UK Armed Forces Serving and ex-Serving personnel: a mixed methods exploration.			
King's College London (Stevelink) *	Knowledge and Evidence	–	83,162
St Georges House. Brian Parry Associates	Knowledge and Evidence	–	(9,779)
RAND Europe 2017	Knowledge and Evidence	–	(12,461)
The evaluation of the mental fitness initiative: an implementation study. King's College London, MOD and The Royal Foundation (Stevelink)*	Knowledge and Evidence	–	92,757
A pilot RCT to evaluate the performance of a research protocol to compare Reconsolidation of Traumatic Memories (RTM) intervention vs Trauma-Focused CBT delivered by charities for veterans with PTSD. King's College London (Sturt)*	Knowledge and Evidence	–	318,114
Campaign to end Veterans' Homelessness. Cobseo Housing Cluster.	Influence and Convening	–	197,450
Independent Review on Armed Forces Families	Knowledge and Evidence	–	6,000
Skills Transfer and Employment Access Development Model. GoodPeople.	Knowledge and Evidence	–	87,140
Experiences and impact of moral injury in UK Armed Forces veterans. King's College London (Williamson), Additional Award. *	Knowledge and Evidence	–	16,790
Experienced Leaders Programme 2020. Clore Social Leadership	Collaboration and Leadership	–	21,000
Veterans Work 4 project. Deloitte	Influence and Convening	–	25,000
Research into engagement of families preparing for transition. Behavioural Insights Team	Knowledge and Evidence	–	–
Soldiering On Award 2020. Soldiering On, operated by X-Forces Enterprise.	Collaboration and Leadership	–	15,000
Improving the Financial Stability of Military Families. RAND Europe	Knowledge and Evidence	–	99,498
Sub-total carried forward		–	1,602,824

Notes to the financial statements

For the year ended 31 December 2020

5 Grant making (continued)		2020	2019
Grants awarded in the year:	Charitable Activity	£	£
Sub-total brought forward		–	1,602,824
An external pilot RCT to evaluate the performance of a research protocol to compare Reconsolidation of Traumatic Memories vs Trauma-Focused CBT delivered by charities for veterans with PTSD. King's College London (Sturt), Additional Award*	Knowledge and Evidence	–	10,800
Contact Group operations. Contact Group (Winstanley)*	Capacity Building	–	50,500
SLAM 2 Veteran Detection Tool Validation. King's College London (Stevelling), Additional Award*	Knowledge and Evidence	–	15,186
Chamber of Commerce Military and Business Project. Black Country Chamber of Commerce	Collaboration and Leadership	–	128,146
An RCT to assess the efficacy of InDEx to reduce alcohol consumption in veterans at Combat Stress. King's College London	Knowledge and Evidence	–	310,144
Lifetime offending by UK military personnel: A data linkage study. King's College London.	Knowledge and Evidence	–	120,664
Evaluation of Glasgow Helping Heroes: A model for providing co-ordinated, holistic support to ex-service personnel and their families. SSAFA	Knowledge and Evidence	–	112,074
Armed Forces Charities Project 2020. Directory of Social Change	Knowledge and Evidence	–	125,825
Campaign to end Veterans' Homelessness. Cobseo Housing Cluster, Additional Award	Influence and Convening	–	5,067
Assessment to understand the needs of imprisoned veterans and their families. Barnardo's, Additional Award	Knowledge and Evidence	–	14,530
St George's House 2018	Influence and Convening	–	(7,006)
Sector Leadership Programme. Windsor Leadership Trust, Additional Award	Collaboration and Leadership	595	–
Cobseo Emerging Leaders Programme 2019–2020. Clore Social Leadership, Additional Award	Collaboration and Leadership	–	1,000
Shoulder to Shoulder Online. TimeBank. Additional Award	Knowledge and Evidence	10,000	–
MINDFit Development & Initial Assessment of a MH Toolkit for Veterans. King's College London. Additional Award *	Knowledge and Evidence	9,293	–
Where are all the veterans? Motivating military veterans to register with a Primary Healthcare practice. University of Chester.	Knowledge and Evidence	133,150	–
Exploring War Widows' experiences of social isolation and loneliness. University of Northumbria.	Knowledge and Evidence	99,979	–
Household Survey 2021. The Royal British Legion.	Knowledge and Evidence	100,000	–
Longer-term employment outcomes for ex-Service personnel. QinetiQ Ltd.	Knowledge and Evidence	265,745	–
Treating veterans with Complex PTSD using modular therapy. A pilot case study design. Edinburgh Napier University. *	Knowledge and Evidence	304,494	–
Advance 2020. ADVANCE Study Charitable Trust	Knowledge and Evidence	500,000	–
Caring and Coping: Living with Loss of Use of Limb/s, the family experience. Blesma	Knowledge and Evidence	197,645	–
Sanctions, Support & Service Leavers: Experiences of the UK social security system in transition. University of Salford.	Knowledge and Evidence	299,150	–
Understanding the psychosocial determinants of psychological health and wellbeing for veteran families in the UK. Queen's University Belfast.	Knowledge and Evidence	306,956	–
Casework Transformation Project. Royal Air Force Benevolent Fund on behalf of the Casework Steering Group.	Collaboration and Leadership	9,500	–
Helping the Armed Forces Community to be the Best in Business. X Forces.	Influence and Convening	7,500	–
Shoulder to Shoulder Erskine Online. TimeBank. Additional Award.	Knowledge and Evidence	1,626	–
Sub-total carried forward		2,245,633	2,489,754

Notes to the financial statements

For the year ended 31 December 2020

5 Grant making (continued)

Grants awarded in the year:	Charitable Activity	2020 £	2019 £
Sub-total brought forward		2,245,633	2,489,754
Beyond the Finish Line: Examining the Invictus Games. Invictus Games Foundation. Additional Award	Knowledge and Evidence	43,180	–
Psychological treatment for morally injured UK Armed Forces veterans: A feasibility study. King's Centre for Military Health Research*	Knowledge and Evidence	270,830	–
Scotland's Bravest Manufacturing Company – Progressive Employment Training. Royal British Legion Industries.	Capacity Buiding	298,996	–
MINDFit Development & Initial Assessment of a MH Toolkit for Veterans. King's College London. Additional Award *	Knowledge and Evidence	8,057	–
Future Trends Commission (Lifting our Sights)	Knowledge and Evidence	298,200	–
DVA Conference, 7 October 2020. The Royal British Legion	Influence and Convening	1,000	–
Veterans Mental Health Conference 2021–2023. King's Centre for Military Health Research	Influence and Convening	45,000	–
Informing Scotland 2020–2023. Veterans Scotland	Influence and Convening	209,700	–
High Intensity Service (HIS) Consultancy Project. Combat Stress on behalf of Contact Group	Capacity Buiding	19,800	–
Transition into Construction: Short Term Support. BuildForce	Capacity Buiding	40,000	–
You're in Your Own Time Now: Understanding Current Experiences of Transition to Civilian Life in Scotland. The University of Edinburgh	Knowledge and Evidence	301,868	–
Future Trends Commission (Lifting our Sights) website. CE Additional Award.	Knowledge and Evidence	14,982	–
A Roadmap to ensure achievement of No Homeless Veterans. The Riverside Group Limited on behalf of the Cobseo Housing Cluster	Influence and Convening	219,243	–
Knowledge Transfer between TimeBank and SSAFA. TimeBank	Capacity Buiding	21,283	–
Pilot Randomised Controlled Trial (RCT) to evaluate to compare the Reconsolidation of Traumatic Memories (RTM) intervention with Trauma-Focused CBT (TF-CBT) delivery by charities to treat PTSD in UK veterans (aka PETT – PTSD Experimental Treatment Trial). King's College London. Additional Award.	Knowledge and Evidence	87,280	–
Understanding 'Negative Transitioning' in British Ex-Service Personnel. Queen's University Belfast. Additional Award	Knowledge and Evidence	23,890	–
University of Bristol underspend refund	Knowledge and Evidence	(10,788)	–
Female Veterans and Employment (Cranfield)	Knowledge and Evidence	(597)	–
KCMHR Veterans Mental Health Conference 2017–2019	Knowledge and Evidence	(624)	–
MHRP Infrastructure Quarterly Costs	Knowledge and Evidence	14,368	83,934
Sub-total – grant awards		4,151,301	2,573,688
Other costs related to grants awarded		215,220	153,612
Total costs of grant making		4,366,521	2,727,300

Notes to the financial statements

For the year ended 31 December 2020

6 Net income/(expenditure) for the year

	2020	2019
	£	£
This is stated after charging / crediting:		
Depreciation	2,880	2,880
Auditor's remuneration (excluding VAT):		
▪ Audit	7,300	7,150
Advisor's fees and expenses (Protector)	15,161	15,149
Operating lease rentals		
▪ Property	78,538	79,018
	<u>78,538</u>	<u>79,018</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2020	2019
	£	£
Staff costs were as follows:		
Salaries and wages	483,034	483,046
Social security costs	49,540	49,440
Employer's contribution to defined contribution pension schemes	19,728	20,513
Death in Service benefit	6,374	3,477
Other Staff costs	30	1,505
	<u>558,706</u>	<u>557,981</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2020	2019
	No.	No.
£70,000 – £79,999	1	–
£90,000 – £99,999	1	1
	<u>1</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £111,323 (2019: £110,080).

The charity directors were not paid or received any other benefits from employment with the charity in the year (2019: £nil). No charity director received payment for professional or other services supplied to the charity (2019: £nil).

Directors' expenses represents the payment or reimbursement of travel and subsistence costs totalling £2,671 (2019: £6,322) incurred by 6 (2019: 7) members relating to attendance at meetings of the directors.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2020	2019
	No.	No.
Raising funds – investment management	0.9	1.0
Governance	2.4	2.6
Knowledge and Evidence	4.5	5.0
Collaboration and Leadership	0.0	0.3
Influence and Convening	1.0	0.8
Capacity Building	0.5	0.3
	<u>9.3</u>	<u>10.0</u>

9 Related party transactions

The value of the related party transactions is £725,675 (2019: £1,667,426). Full details of this figure is given on pages 23–24 of the Directors' Annual Report.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Software £	Total £
Cost		
At the start of the year	14,400	14,400
Additions in year	–	–
At the end of the year	14,400	14,400
Depreciation		
At the start of the year	10,080	10,080
Charge for the year	2,880	2,880
At the end of the year	12,960	12,960
Net book value		
At the end of the year	1,440	1,440
At the start of the year	4,320	4,320

The above asset relates to a CRM system that was purchased in 2014. This was brought into use in July 2016 and is being depreciated over 5 years. It is used solely for charitable purposes.

Notes to the financial statements

For the year ended 31 December 2020

12 Listed investments

	2020 £	2019 £
Fair value at the start of the year	23,771,609	25,132,326
Additions at cost	5,377,365	3,379,342
Disposal proceeds	(6,707,589)	(7,725,578)
Net gains on change in fair value	1,284,205	2,985,519
	<u>23,725,590</u>	<u>23,771,609</u>
Cash held by investment broker pending reinvestment	4,532,875	6,272,498
Fair value at the end of the year	<u>28,258,465</u>	<u>30,044,107</u>
Investments comprise:	2020 £	2019 £
Fixed Interest Bonds	4,118,018	4,329,603
UK Shares listed on the London Stock Exchange	2,343,032	4,136,116
Non UK Shares listed on the London Stock Exchange	12,721,470	11,133,765
Hedge Funds	547,562	526,202
Property Funds & Trusts	1,199,199	1,715,065
Alternative Assets	1,486,418	1,449,221
Liquid Funds	5,842,766	6,754,135
	<u>28,258,465</u>	<u>30,044,107</u>

13 Debtors

	2020 £	2019 £
Prepayments	21,792	–
Cycle to work scheme and season ticket loans	–	5,044
	<u>21,792</u>	<u>5,044</u>

With the exception of listed investments, all of the charity's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 14 and 15 below.

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	53,870	31,333
Taxation and social security	16,954	14,441
Accruals	7,570	9,650
Grants payable (Note 5)	3,012,961	2,426,787
Other creditors	3,536	3,342
	<u>3,094,891</u>	<u>2,485,553</u>

Notes to the financial statements

For the year ended 31 December 2020

15 Creditors: amounts falling due after one year

	2020 £	2019 £
Grants payable (Note 5)	1,987,173	1,466,995
Grants are paid in line with agreed timetables and are payable:		
In less than one year	3,012,961	2,426,787
Between one and five years	1,987,173	1,466,995
	5,000,134	3,893,782

16a Analysis of net assets between funds (current year)

	Endowment funds £	General funds £	Total funds £
Tangible fixed assets	1,440	–	1,440
Investments	28,258,465	–	28,258,465
Net current liabilities	(2,596,051)	–	(2,596,051)
Long term liabilities	(1,987,173)	–	(1,987,173)
Net assets at the end of the year	23,676,681	–	23,676,681

16b Analysis of net assets between funds (prior year)

	Endowment funds £	General funds £	Total funds £
Tangible fixed assets	4,320	–	4,320
Investments	30,044,107	–	30,044,107
Net current liabilities	(1,388,578)	–	(1,388,578)
Long term liabilities	(1,466,995)	–	(1,466,995)
Net assets at the end of the year	27,192,854	–	27,192,854

17a Movements in funds (current year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Endowment funds	27,192,854	1,739,900	–	(5,256,073)	23,676,681
Total endowment funds	27,192,854	1,739,900	–	(5,256,073)	23,676,681
Unrestricted funds:					
General funds	–	–	(5,256,073)	5,256,073	–
Total unrestricted funds	–	–	(5,256,073)	5,256,073	–
Total funds	27,192,854	1,739,900	(5,256,073)	–	23,676,681

17b Movements in funds (prior year)

	At 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2019 £
Endowment funds	27,215,869	3,614,206	–	(3,637,221)	27,192,854
Total endowment funds	27,215,869	3,614,206	–	(3,637,221)	27,192,854
Unrestricted funds:					
General funds	–	–	(3,637,221)	3,637,221	–
Total unrestricted funds	–	–	(3,637,221)	3,637,221	–
Total funds	27,215,869	3,614,206	(3,637,221)	–	27,192,854

Purposes of endowment funds

The expendable endowment fund provided by the Big Lottery Fund will be used over a 20 year period to support the charitable activities of the Trust. In accordance with the Trust Deed, the whole of the Trust Fund and Income will have been applied in furtherance of the charitable objects by 28 November 2031.

18 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2020 £	2019 £
Less than one year	7,797	7,526
	<u>7,797</u>	<u>7,526</u>

19 Corporate Trustee

Forces in Mind Trust is managed by a sole corporate trustee which is FIM Trustee Limited, registered company no. 07855145. Forces in Mind Trust is used to disburse funds for charitable purposes or activities. All activities take place within the Trust and are directed by the Trustee, FIM Trustee Limited.