Army Benevolent Fund

England & Wales · Charity number 1146420

Details

Other names	ABF THE SOLDIERS' CHARITY
Status	Registered
Legal form	Charitable company
Company number	07974609
Registered	2012-03-15
Register	View on the Charity Commission register

Contact

Address	Mountbarrow House 6-20 Elizabeth Street London SW1W 9RB
Phone	02079018900
Email	info@soldierscharity.org
Website	www.soldierscharity.org

Activities

Objects: THE OBJECT OF THE CHARITY IS TO BENEFIT PERSONS WHO ARE SERVING OR WHO HAVE SERVED IN THE BRITISH ARMY, OR THEIR DEPENDANTS, IN ANY CHARITABLE WAY BY THE PROVISION OF GRANTS, LOANS, GIFTS, PENSIONS OR OTHERWISE.

Activities: The Charity's Objectives are to benefit persons who are serving or who have served in the British Army, or their dependants, in any charitable way by the provision of grants, loans, gifts, pensions or otherwise.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** Armed Forces/emergency Service Efficiency
- **Who:** Other Defined Groups

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Geography

- **Area of benefit:** UNITED KINGDOM
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£38,740,182	£15,993,849	£118,490,941	84
2024-03-31	£15,259,562	£15,615,647	£97,906,033	83
2023-03-31	£11,402,605	£14,675,195	£92,860,312	78
2022-03-31	£11,157,055	£13,387,894	£100,131,157	79
2021-03-31	£11,847,964	£12,308,072	£93,889,583	85

Trustees

Name	Role	Appointed
RACHEL SARAH BOOTH	Chair	2020-07-01
Amanda Metcalfe		2017-11-29
Anna Katherine Lucy Sedgley		2024-08-01
Anthony Craufurd Scott		2019-07-03
Brig Clare Patricia Phillips		2026-03-01
Caitlin Murea Hayden		2024-08-01
DAVID CHARLES GEORGE LONDON		2020-07-01
John Stephen Miller		2025-05-01
Julie White		2023-08-01
Maj Gen Jonathan Edward Alexander Chestnutt		2026-01-05
Mark George Culmer		2024-08-01
ROWENA RUTH FELL		2020-07-01

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Army Benevolent Fund

England & Wales - Charity number 1146420

Accounts

Army Benevolent Fund

2024/25 ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

Army Benevolent Fund

PATRON

In abeyance (September 2022-April 2024)

Her Majesty The Queen (from May 2024)

PRESIDENT

General Sir James Everard KCB CBE

TRUSTEES

CHAIR

Sarah Booth (From April 2025)

Simon Heale (Retired April 2025)

VICE CHAIR

David London (From May 2025)

Sarah Booth (From May 2024, until April 2025)

Mary Fagan (Retired May 2024)

MEMBERS

Warrant Officer Class One (Army Sergeant Major) Paul Carney (Retired March 2025)

George Culmer (Appointed August 2024)

Rowena Fell

Caitlin Hayden (Appointed August 2024)

Major General (Ret'd) Chris Hughes CBE

Major General Sam Humphris MBE

Amanda Metcalfe

Warrant Officer Class One (Army Sergeant Major) John Miller (Appointed May 2025)

James Rous

Anthony Scott

Anna Sedgley (Appointed August 2024)

Julie White

SENIOR MANAGEMENT TEAM

Major General (Ret'd) Tim Hyams CB OBE, Chief Executive

Brigadier (Ret'd) Peter Monteith MBE, Chief Operating Officer and Company Secretary

Temidayo Ajakaiye, Director of Finance

Colonel (Ret'd) Darren Doherty, Director of Grants & Welfare (Appointed November 2024)

Colonel (Ret'd) Kevin Haugh CBE, Director of Grants & Welfare (Retired November 2024)

Svetlana Kirov, Director of Fundraising

Kath Mills, Interim Director of Communications & Marketing (May 2023-June 2024)

Jenny Redman, Director of Communications & Marketing (Returned from maternity leave June 2024)

CHAIR REGISTERED OFFICE

Mountbarrow House
6–20 Elizabeth Street
London
SW1W 9RB

Telephone: 020 7901 8900
E-mail: info@armybenevolentfund.org
Website: www.armybenevolentfund.org

Army Benevolent Fund is an incorporated charity registered with the Charity Commission for England and Wales with Charity No. 1146420, and in Scotland with the Office of the Scottish Charity Regulator with Scottish Charity Register No. SC039189.

Army Benevolent Fund is a company limited by guarantee in England and Wales (07974609) and was incorporated on 2nd March 2012.

Cobseo The Confederation of Service Charities

VS Veterans Scotland

Registered with FUNDRAISING REGULATOR

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WELCOME FROM THE CHAIR

This is my first report as Chair, having taken over from Simon Heale in April 2025. On behalf of everyone associated with the Charity, I would like to express our gratitude to Simon for his hugely significant contribution as Chair, and as a trustee since 2020. We wish him all the very best; and know he will be following closely our progress and work.

It is a great honour to chair the Army Benevolent Fund. As the Chief Executive notes, this charity was created during the Second World War, and its purpose – and relevance to the Army community – endures.

During 2024, the nation commemorated the 80th anniversary of D Day; and we also celebrated the 80th anniversary of the founding of the ABF. In February 1944, Winston Churchill's War Cabinet discussed the formation of the Army Benevolent Fund – a national charity for the British Army – to ensure the brave service men and women returning from the Second World War would not face the hardships endured by those who fought in the First World War, a generation earlier. We still have a small number of veterans alive today, some of whom are beneficiaries of the Charity, who took part in the D Day landings and fought their way through Europe.

The welfare of soldiers, past and present, and their families, remains at the heart of everything we do. In the last 80 years, we have helped many hundreds of thousands of members of the Army family, from the youngest children to the oldest veterans, both in the UK and around the world. In the 2024-5 financial year alone, I could not be prouder that the ABF has delivered support to more than 80,000 people in 52 countries through its grants to individuals and funding for 93 other organisations and charities.

In terms of governance, our 80th anniversary year was one of continuity and change. We said farewell to Warrant Officer Class One Paul Carney who, in his role as the Army Sergeant Major, has served as a trustee with dedication and boundless enthusiasm. Paul has encouraged soldiers to support the ABF and participate in its activities, such as the annual Cateran Yomp, and he has also taken on epic fundraising challenges in the Charity's name, such as the Marathon des Sables, raising hugely welcome funds and profile in the process. We wish Paul well, and are delighted to welcome his successor, Warrant Officer Class One (Army Sergeant Major) John Miller, to the board.

Our board has seen the appointment of three new trustees, George Culmer, Caitlin Hayden, and Anna Sedgley, appointed through open competition, and who joined us in August 2024. We thank them for volunteering for these roles and warmly welcome them to the trustee body.

During the 80 years that have passed since the ABF was founded, the world has seen much change. However, the need for the British Army to be there to defend our freedom is enduring. What also is enduring is the Charity's purpose: to be there for those who serve, who have served, and their families; enabling them to avoid hardship and live with independence and dignity.

None of this could be possible without the dedication of my fellow trustees, the excellence of our wonderful professional team, the selfless commitment of our army of volunteers, and the generosity of those who give to us. This Annual Report reflects a busy charity in good health, and this is testament to the magnificent work and dedication of the people who support it – not just in the UK but around the world.

Sarah Booth
Chair

WELCOME FROM THE CHIEF EXECUTIVE

The Army Benevolent Fund was established in August 1944, as the Army's national charity, to ensure the soldiers who had fought in World War Two, and their families, received the support they needed and deserved.

80 years later, the 24/25 financial year saw the Charity spending some £9.2m in benevolence, supporting over 80,000 members of the Army family in 52 countries around the world. Our youngest beneficiary was three years old; our oldest was 105. We genuinely are here for soldiers, for life.

In so doing, we are very clear as to the value of the Army to the nation; and that there is a value in service, with the vast majority of soldiers of all ranks making a meaningful contribution to society, both whilst serving and as veterans, on the basis of the values and skills they develop during their time in the Army.

But equally, the reality is a significant number of the Army family fall into need each year. These soldiers, former soldiers, and family members require our assistance such they can overcome their challenges and move forward with their lives. That brings a sharp focus to the requirement for the Army Benevolent Fund to provide that immediate support, with our benevolence grants expenditure again this year increasing by 4% overall in response to evidenced need.

At the same time, it is essential that, as the Army's national charity, we take a strategic view of how to respond over the longer-term. In this regard, the receipt this year of a highly significant and generous legacy of nearly £25m has reinforced our financial reserve such as to afford the charity the opportunity to take a genuinely considered approach to a number of issues.

+ First, ensuring we are positioned, through allocation of funds from our financial reserve and in terms of contingency planning, such as to enable the Charity to respond to a significant change in operating conditions (such as a major conflict involving the British Army) or benevolence need.

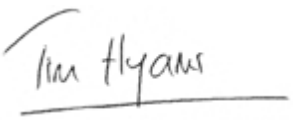
+ Second, through initiation of a formal programme of preventative measures, funded from our financial reserve, aimed at addressing the underlying causes of need and thus reducing, over the longer term, the number of the Army family who fall into need in the first place.

+ Third, a formal investment strategy review, to ensure we are positioned financially for the long-term, fulfilling the requirement to deliver support to the Army family on an enduring basis.

Our judgement is these initiatives, individually and collectively, represent the appropriate and responsible approach to positioning the Army's national charity to respond to the geopolitical and economic challenges that lie ahead, as well as acting proactively, through a deliberate programme of preventative measures, to reduce, over the long-term, the number of soldiers, veterans, and their families who fall into need of support.

Marking our 80th anniversary throughout 2024 has been important; not for its own sake, but as an opportunity to express profound thanks to our generous and loyal supporters and reflect on our continued relevance to serving and former soldiers, and their families.

As we look ahead, I reflect that the ABF's founding purpose endures: to ensure that all soldiers, veterans, and their immediate families can avoid hardship and live with independence and dignity. That is a compelling objective and one we are extremely proud to deliver on behalf of those we serve.



Major General (Ret'd) Tim Hyams CB OBE
Chief Executive

STRATEGIC REPORT OF THE TRUSTEES

Our vision

All serving soldiers, veterans, and their immediate families should have the opportunity to avoid hardship and live with independence and dignity.

Our mission

We are the Army's national charity, giving a lifetime of support to serving soldiers, former soldiers, and their immediate families when they are in need.

Charitable objects

Since our formation in 1944, our charitable objects have been to benefit persons who are serving or who have served in the British Army, or their dependants, in any charitable way by the provision of grants, loans, gifts, pensions or otherwise.
We work with veterans of every conflict, from the Second World War to the most recent operations, whether they live in the British Isles or overseas.

Public benefit

When reviewing the Army Benevolent Fund's aims and objectives, and when setting grant making policy and planning for the future, the trustees have carefully considered the Charity Commission's guidance on public benefit. The Army Benevolent Fund provides a public benefit in that it supports the Army community, contributing to the defence of the UK and its interests. Through its external grants programme, the Army Benevolent Fund also enables other charities to maximise their public benefit, in support of the Army family.

Equality, diversity & inclusion

We are committed to championing equality, diversity and inclusion on our Board, amongst our workforce, and in all our behaviours. As the Army's national charity, it is vital we remain relevant and reflective of our varied Army community and of society more broadly. We are particularly proud of our diverse workforce, both in the national office and across all 11 regional offices; and we are committed to creating a culture where everyone is celebrated, regardless of gender, sexual orientation, disability, neurodiversity, ethnic background, nationality, religion, or belief. We recognise there is still work to be done and are committed to continuous improvement to ensure we remain best placed to serve the Army community, both here in the UK and around the world.

01 Former Reservist, Rebecca, was left with PTSD after her service, struggling with isolation and symptoms such as panic attacks and anxiety. With the support of Bracken, an energetic spaniel cross, who was paired with Rebecca by Service Dogs UK, which the ABF helps fund, her life is looking positive again. Rebecca's story featured in the 2024 Telegraph Charity Christmas Appeal, which the ABF was selected for, raising over £100k.

02 Peter served during World War Two with the Oxfordshire and Buckinghamshire light infantry. Since 2023 he has lived in Broughton House, Salford, a care home for military veterans, which the ABF helps fund.

03 Former Metropolitan Police officer and Army widow, Elaine, has been living since 2018 at the Chiswick War Memorial Home, part of The Stoll Foundation. The ABF helps fund The Stoll Foundation, which provides housing support for military veterans and their dependants.

04 Running the TCS London Marathon for the ABF.

CHARITABLE ACTIVITIES OVERVIEW

As the Army's national charity, the welfare of soldiers, veterans, and their immediate families (including the bereaved) has always been at the heart of everything we do.

Our purpose has remained the same since 1944: to ensure that every soldier, past, present and future, and their immediate families, can avoid hardship and live with independence and dignity.

In the past year, we have supported over 80,000 members of the Army family in 52 countries across the globe. This has been achieved via our individual grants programme, through which we have supported over 3,500 individual cases, and by providing essential funding to 93 other charities and organisations to enable them to deliver specialist services to the Army family.

In addition to these two key grants programmes, we have also funded Army-related casework and the pan-sector digital platform that enables grants to be paid out quickly and securely; and collaborated with key sector stakeholders, including the government, other charities and the Army, to ensure we are as well placed as possible to support soldiers, veterans, and their immediate families. By supporting us, you truly do support the whole Army family.

In FY24-25, our charitable expenditure was £9.2m. As one of the largest funders in the military charity sector, our aim is to ensure a complete spectrum of support to the Army family in the areas it is needed most. The overall scale, breadth and variety of our support is vast: helping Army families, including the bereaved; improving mental wellbeing; enabling independent living; caring for the elderly; training and education to increase employability; and securing the provision of suitable housing.

As ever, we pride ourselves on acting immediately when help is needed and providing true through-life support.

Henry is the disabled son of an Army veteran, Lee, and his wife, Natalie. Aged four, Henry was diagnosed with Duchenne muscular dystrophy, a rare life-limiting, muscle-wasting condition. We provided a grant of £13,500 to help fund essential adaptions to the family home. Henry is now able to get outside into the garden in his wheelchair, to enjoy time with the family.

OUR STATS

In FY24-25 we spent **£9.2M** supporting **80,000** members of the Army family

The youngest person we supported was **THREE YEARS OLD**, the eldest was **105**

We funded **93 OTHER CHARITIES AND ORGANISATIONS** that provide support for the Army family

SUPPORTING THE ARMY FAMILY

We are here to support the Army family through all of life's challenges, including bereavement, injury, getting back to work, elderly care, and much more besides.

Our support is truly for life, with individuals supported in FY24-25 aged from three years old to 105.

We are never judgemental, and we always adopt an integrated approach to the person or family in need of support. Sometimes, an individual in need may receive an initial grant from us, delivered through their regimental or corps charity; then be referred to a specialist charity that we have funded. They may then receive support from other partner charities – with assistance from us at every stage.

Throughout, we rigorously focus on their need and allocate our support accordingly across a wide range of charity partners. We give grants to support other charities both large and small, local and international, depending on our assessment of where the need is. Our grants programme is continually evolving, with an increasing focus on addressing the underlying causes of need, as described in the Chief Executive's foreword; and all cases are based on evidenced need, with rigorous due diligence checks on the effect of our expenditure.

Finally, and crucially, we act with speed. When we are alerted that a person or family needs help, we aim to make the relevant grant within 48 hours.

We are here for all members of the Army family when they need us. Our support is available for soldiers at the start of their careers and continues for life – long after service is over.

We have supported the British Army family in **52 COUNTRIES** all over the world

Around **12% OF OUR GRANTS** expenditure benefited the serving Army

We spend around **£66,000 A WEEK** on grants to individuals

OUR THREE MECHANISMS FOR PROVIDING SUPPORT

1. We make grants to individuals, through their regimental and corps charities.

2. We make grants to other charities and organisations that deliver specialist support to soldiers, veterans, and their immediate families.

3. We play a key role in the military welfare ecosystem by funding organisations that carry out Army-related casework (particularly SSAFA The Armed Forces Charity); investing in the Casework Management System (to ensure grants are reviewed and disbursed quickly); and collaborating with, and providing advice and support to, other military charities and organisations such as Cobseo and Veterans Scotland.

FUNDRAISING

We are extremely thankful to our very generous donors who raised £34.6m in FY24-25 (£10.7m in FY23-24).

This significant increase is due to a highly generous legacy of nearly £25m; the impact of which is addressed in the Chief Executive's foreword. However, legacies are generous gifts, which can neither be anticipated nor relied upon; and, excluding that single donation, we raised less than in the previous financial year. To address this challenge, we have conducted a formal Fundraising Review, with the Board-endorsed recommendations now being taken forward into the Year 3 FY25-26 Plan, not least in terms of seeking to diversify our fundraising portfolio, and investing in growing our supporter base.

As with previous years, we remain extremely grateful for the continued support of those organisations close to the Army family; including the Army Dependants' Trust, which donated £800k this year, and the regimental and corps charities, which contributed nearly £857k over the same period.

Individual supporters and legacy giving

Every year, thousands of individuals help us by giving a monthly regular gift or one-off donation, taking part in our raffle, or remembering us in their Will. We remain extremely grateful to each and every one of them. We are exceptionally grateful for the £24.6m legacy, the planned employment of which is described in the Chief Executive's foreword.

Corporate partnerships and philanthropy

We partner with a broad range of UK businesses, high net worth individuals, trusts and foundations, enabling our ongoing work to support soldiers, veterans, and their families.

We are extremely fortunate for the sustained support of our philanthropic donors The Edward Gostling Foundation, The Mike Gooley Trailfinders Charity, National Garden Scheme, Peacock Charitable Trust, PF Charitable Trust, The Royal Edinburgh Military Tattoo, The Wimbledon Foundation, The Dyers' Company Charitable Trust and our generous anonymous donors. We are also grateful for the significant support we have received this past year from The Billmeir Charitable Trust, The Ian Fleming Charitable Trust, Moondance Foundation, Princes Exchange Foundation, The Princess Anne's Charities, Scott (Eredine) Charitable Trust and The 29th May 1961 Charity.

We also received support from corporate partners, including Ascot, Azad Ayub, Babcock International Group, BAE Systems, Clogau Gold, Corps Security, Leonardo UK, MBDA, RIFT Group, Rolls-Royce, The Thales Charitable Trust and VIVO Defence Services; this enabling our ongoing work to support soldiers, veterans and their families.

Community and events

We work hard to build relationships and generate financial support via events such as the London Marathon, Cateran Yomp, The Lord Mayor's Big Curry Lunch, Frontline Walks, golf days and Christmas Carol Concerts, to name just a few.

Fundraising standards

We adhere to the highest fundraising standards. Our fundraising success is directly related to our reputation, and we go to great lengths to protect the public, including vulnerable people, by avoiding any practices that are not in line with the Army Benevolent Fund's values. We are committed to the Fundraising Regulator's Code of Fundraising Practice to ensure we meet the highest standards, so supporters and volunteers can give and fundraise with confidence and trust.

In June 2024, a team from the British Army Recruiting Group swam the English channel and raised over £8,000 for the ABF.

Nearly 1,000 people marched the Scottish hills while taking part in the 2024 Cateran Yomp, marking 80 years since D-Day and the founding of the Army Benevolent Fund.

Our behaviour

We promise to always show respect and never pressure anyone to make a donation. We want the decision to give to always be an active choice on the part of the giver and we are particularly sensitive when dealing with vulnerable people. We have a comprehensive supporter-engagement policy, which incorporates all elements of fundraising and associated activities. We do not sell personal details to other charities or other third parties. We only share personal information with suppliers that we engage to process data on our behalf; such processing is only conducted under formal data processing agreements.

Information systems

We continue to modernise and raise the standard of our technical processes and infrastructure that support fundraising. We upgraded and modernised our client relationship management database to Salesforce CRM this year; and have embarked upon the process to modernise and upgrade our financial management information system by the end of the 2025-26 financial year. We have continued to make significant strides towards using Business Intelligence and data analysis, better to understand our supporter base and thus communicate more effectively with them. We have also continued to ensure that our data holdings, and wider IT infrastructure, are secure and robust in terms of countering the cyber threat.

Safeguarding

The Army Benevolent Fund is proactively committed to safeguarding children, young people and vulnerable adults with whom staff, or any organisation acting on our behalf, come into contact with during fundraising, benevolence or outreach activities. We regularly review our safeguarding policy, including a full annual Board of Trustee review, to ensure it is fully up-to-date and fit for purpose. We take all reasonable care to protect our beneficiaries, supporters and staff, and comply with all relevant legal obligations and statutory guidance. Safeguarding is integral to our recruiting process and all new staff members are DBS checked. There is also a documented procedure for reporting serious incidents to the Charity Commission and relevant statutory bodies. In FY24-25 there were no such matters to report.

Accessibility

We make it easy for people to get in touch with us either by phone, letter or email. Whether someone wants to ask a question about our work or how we spend donations, or find out about an event we are organising, or update their communication preferences, we pride ourselves on being responsive and accessible. And, of course, we have a complaints process in place, should any supporter be unhappy or express concerns about our activity. The Charity received no complaints in FY24-25.

Relationships with agencies and commercial providers

We have a small in-house fundraising team and employ external agencies to add additional expertise or capacity; for example, event-management companies when we are organising large-scale events. This is more cost effective than trying to do everything ourselves. We always ensure signed contracts are in place and regularly monitor their performance in line with these agreements.

The professional face to face fundraising agencies we work with provide value and expertise and allow us to engage with new audiences. We recognise the need to monitor their performance and compliance. We input into their training, and our quality assurance includes regular reviews of complaints - of which we received none in 24-25 - and other feedback.

FINANCIAL HIGHLIGHTS

OVERVIEW

Total income was £38.7m (FY23-24: £15.3m); an increase of £23.4m from the previous financial year. This was due to higher legacy income at £28.2m (FY23-24: £5.2m) and we continue to be deeply grateful to the individuals who have remembered us in their Wills.

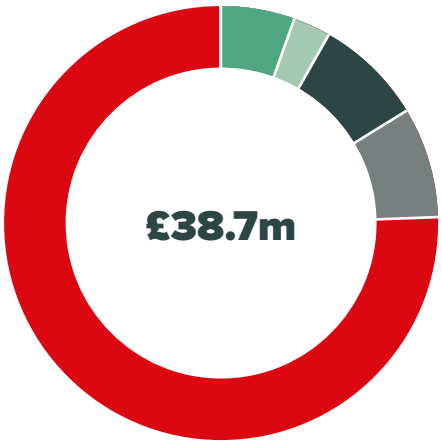
Income received from donations was higher at £3.3m (FY23-24: £2.8m). Income from the Army, which comprises donations from individuals, regimental and corps charities and the Army Dependants' Trust, decreased to £1.75m (FY23-24: £1.96m). Income from trading activities was higher at £3.2m (FY23-24: £2.7m). The investment income was £2.3m (FY23-24: £2.5m).

Of the £2.3m of investment income received, £1.3m represented cash dividends and interest receivable, with the remaining £987k being represented by additional investment units, which further bolster the Charity's investment portfolio to provide rising income over time. This is set out in more detail in the investment management section.

Total expenditure for the year increased to £16m (FY23-24: £15.6m). Our charitable expenditure delivering benevolence, including individual and charitable grants to those in need was £9.2m (FY23-24 £9.1m). Costs of raising funds increased to £6.8m (FY23-24: £6.5m) as we continue to invest in donor recruitment.

Overall, the accounts for the year ended with a net income of £20.6m which includes losses on investments of £2.2m (FY23-24: net income of 5m included gains on investments of £5.4m).

WHERE OUR FUNDING CAME FROM



£2.3m
Income from investments

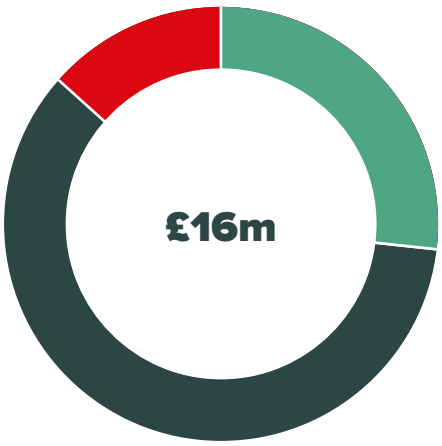
£1.7m
Donations from regimental and corps charities and individuals in Army Units

£3.2m
Other trading activities

£3.3m
Donations and appeals

£28.2m
Legacies

HOW WE SPENT AND ALLOCATED MONEY

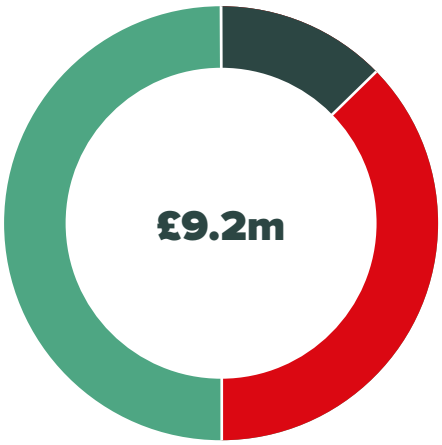


£4.2m
Other costs of raising funds

£9.2m
Charitable activities

£2.6m
Cost of trading activities

HOW WE SUPPORTED THE ARMY FAMILY



£4.3m
Grants to other charities and organisations

£1.8m
Supporting the military welfare ecosystem

£3.1m
Grants to individuals

Investment management

Our overall investment objective is focused on the capital growth of our investments in real terms, with an appropriate return from our income units. The performance objective of the fund is to provide capital growth and rising income over time. The Charity invests funds that are required over the medium to long term. At the year end, the Charity held investments with a market value of £76.8m and cash deposits of £20.5m (FY23-24: £78.3m and £7.4m respectively).

Our investment performance and holdings are reviewed regularly by the Finance & Investment Committee against our investment objectives and its benchmarks. Our investments are held in line with our investment policy, which lays out guidelines for risk, as well as ensuring there are appropriate ethical policies in place. Each of our investments performed in line with, or better than, its benchmark, and therefore, overall, the trustees were satisfied with this performance.

Reserves

Our reserve is based on three imperatives:

1. To manage, on behalf of the nation, a series of designated and restricted funds, that support veterans who have served in particular conflicts and their immediate family members.

2. To provide an operational reserve in the immediacy of a 12 to 36-month period, to ensure the Charity can continue delivering benevolence to the Army family in the event of financial risks identified in the Risk Register materialising.

3. To provide a strategic reserve for the delivery of benevolence to the Army family in a more enduring sense, enabling the Charity to respond to a significant change in operating conditions (such as a major conflict) or benevolence need.

A significant proportion of our funds is ringfenced and administered on behalf of the nation to help veterans and families in need from conflicts such as Afghanistan and the Falklands Conflict. They will be disbursed over many years until the last eligible soldier or family member is no longer alive.

Our operational reserve ensures we can continue delivering benevolence to the Army family in the immediacy of a 12 to 36-month period, should we face a significant fall in income. The operational reserve has been established through the work to place a monetary value on risk, together with sensible provision for other probable contingencies and the Charity's working capital. The risk-based approach provides a rationale that leads to a justified level of operational reserves, based on the drivers of sufficient working capital to get through cyclical fluctuations; an estimate of the potential value of the foreseeable inherent and residual risks derived from the risk register; and an estimate of the amount required by the Charity to fulfil its 4-Year Plan.

We also hold a strategic reserve to ensure that we can deliver benevolence to the Army family in the long term, despite any changes that may occur in the operating environment (for example, future conflicts). Part of this picture includes meeting our responsibility for ensuring the regimental and corps charities can provide appropriate benevolence support, when called upon, in perpetuity. Essentially, the Army's national charity needs to ensure that the whole Army family's needs can be met, for as long as there is an Army.

The Charity has in place a Reserves Policy, which aims to ensure that its ongoing activities are protected from fluctuations in income and expenditure. The Board of Trustees reviews this policy annually to ensure it continues to comply with Charity Commission guidance.

The total value of funds held at year end was £118.5m (FY23-24: £97.9m). There are restricted funds of £6.2m (FY23-24: £6.6m), unrestricted funds of £112.1m (FY23-24: £91.1m) and endowment funds of £200k (FY23-24: £225k). The unrestricted funds include both general funds of £104.8m (FY23-24: £83.2m) and designated funds of £7.3m (FY23-24: £7.8m). Of the £104.8m general unrestricted funds, £345k represents fixed assets that can only be realised by disposing the assets, leaving £104.4m free reserves (FY23-24: £83.1m), which is above the target of £80.5m (FY23-24: £53.5m). The level of free reserves allows the Charity to be resilient, to continue to focus on its charitable activities, and to adopt a necessarily agile approach in responding to the changing economic and wider strategic environment.

Risks and uncertainties

The Army Benevolent Fund has a proactive, thorough, and balanced approach to risk management. The Board of Trustees reviews major risks at each meeting and ensures that the senior management team has taken all reasonable measures to manage these risks and has the flexibility to seize opportunities as they appear.

Risks are graded by likelihood and severity, and include full descriptions of the actions and measures underway or required to attend to them. Key risks are also monetised, with an appropriate amount of the Charity's reserve annotated as allocated if required. This process allows us to measure

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the correct amount of operational reserve to hold, as well as being a prudent and effective way of managing the risks.

As a result, the Charity has a clear view both on the key risks to its operation over the short and long terms, and the means by which they will be mitigated.

The risk of a reduced ability to raise sufficient funds in a global, national, and indeed personal environment of constrained discretionary spending is specifically mitigated by the roll out of the 4-Year Plan, which is described in greater detail in the next section. The risk of not being positioned to respond effectively to the changing nature of the Army, its veteran community, and their increasing integration into wider society is mitigated actively and constantly by the executive's proactive horizon scanning, in collaboration with both government (MOD; not least, the OVA), the Army, and sector (not least, Cobseo, Veterans Scotland, and FiMT) stakeholders, and through the Benevolence Strategy. The risk to our investments of significant fluctuations in global markets is mitigated by maintaining a balanced portfolio, consisting of an appropriate mix of income and accumulation units, across two major fund managers, under the regular and expert oversight of a trustee-led Finance & Investment Committee.

In the event of a major situation involving or otherwise affecting the Army Benevolent Fund, business continuity and disaster recovery plans are in place. Trustees also place considerable importance on achieving compliance with employment, health and safety and other relevant legislation.

The Army Benevolent Fund's solicitors review our principal policies on a regular basis, and all other policies are reviewed periodically by the senior management team on at least an annual basis. The key ones, such as Safeguarding and Anti-Fraud, are also annually reviewed by the Board of Trustees.

In the certain knowledge that we will need to continue to provide support to soldiers, veterans and their immediate families for many decades, we regularly update and review our financial plan, reserves and investment policies. Internal financial controls are reviewed by the Finance & Investment Committee on a regular basis.

We continue to conduct routine and regular end-to-end audit processes. This allows the Charity dynamically to confirm that its financial and technical control procedures remain effective and fit for purpose; or, if they are not, to improve them quickly. The trustees have declared themselves satisfied that major risks have been identified and adequately mitigated, wherever reasonably practicable. It is recognised that systems can only provide reasonable rather than absolute assurance that major risks have been adequately managed.

Plans for future periods

The first three years of the 4-Year Plan have witnessed a range of overlapping issues impacting variably and in combination on this Charity and UK society more broadly. The legacies of the pandemic and Brexit, the global and national rises in commodity prices exacerbated by conflicts in Ukraine and the Middle East, and the impact in the UK specifically of stubbornly persistent inflation and inconsistent mitigation measures, leading to and combined with enduring public caution over non-essential personal spending, all have contributed to a particularly challenging operating environment.

Despite the predicted gradual easing of UK inflation rates, the resultant loosening of fiscal control and interest rates, and the UK government's attempts to stimulate economic growth, the impact of this combination of issues, exacerbated by more broad geopolitical factors, will continue to be felt through FY25-26.

Our response

Against this challenging context, the Army Benevolent Fund remains in a relatively strong position, continuing to reflect the manner in which we were set up in 1944: to act as the Army's strategic reserve, or second line of benevolence support, behind the first line activity of the regimental and corps charities. Conscious of this role, over the years we deliberately have configured our operations to protect that responsibility. We remain focused entirely on grant making and have no direct delivery responsibilities; we make no grant commitments beyond in-year; and we husband our free reserves for the long haul, whilst also being prepared to make strategic interventions where appropriate. Prudent measures to increase our liquidity provide adequate cash well into the next Financial Year, and our investments are held in very broad and diverse funds.

Set against that context, at an operational level, our return to long-term planning, in the shape of the rolling 4-Year Plan, saw us take significant strides in FY22-23 (Year 0) towards setting the conditions for success; with the removal of the artificial divide between national and regional fundraising, the reset of the People Plan, and a redefinition of the regional contribution being notable achievements.

Thereafter, FY23-24 (Year 1) saw continuing refinement, with particular emphasis on understanding the drivers behind, ROI from, and opportunities afforded by volunteer-led community fundraising activity and the wider programme of staff-led community fundraising events delivered across the country. It also saw us measure the impact of the levers being pulled in-year; specifically, the investment in face-to-face fundraising, a more coherent

pan-charity approach to events, and a similarly coherent and increasingly programmatic approach to trusts, major donors, and corporates. In parallel, FY23-24 saw significant improvements in our inter-relationship with the Army, and the coherence, both internal and external, of our communications. It also saw the highly successful refreshment of our brand.

Building on those foundations, FY24-25 (Year 2) has been one of further iterative and evidence-led enhancement, particularly in terms of the longer lead time areas of direct marketing and legacy giving. In parallel, we have conducted a fresh eye, evidence-driven, review of fundraising, which has set the baseline for our fundraising approach in FY25-26 and into FY26-27. FY24-25 also has seen much progress in terms of leveraging the extremely successful re-brand and our more assured relationship with Army Media & Communications, and harnessing more productively the associated, available, resource through a more strategic, campaign-led, approach to brand awareness and audience engagement. In the background, there has been a continuation of our drive to minimise overhead costs, with the long-term agreement on tenancy in Mountbarrow House being, by way of example, a cost saver as well as a creator of efficiency.

Looking ahead, FY25-26 (Year 3) will be a year of exploitation of previous groundwork.

+ We will continue to increase benevolence spend in line with need, tempered by affordability. In the background, we will initiate a formal Benevolence Strategy, in order to position the Charity to attend to the requirement to tune its existing grants programme to emergent patterns of need and the dynamics of the delivery landscape. In parallel, we will take forward a deliberate programme of activity, funded from the residual free reserves, aimed directly at addressing the underlying causes of need and thus reducing need over time.

+ We will deliver through on the endorsed outcomes of the Fundraising Review; enacting the measures relating to methodology, structure, resource, and further investment, in order to deliver success in terms of the fundraising outcomes required to achieve 4-Year Plan objectives and end state.

+ The more strategic, campaign-led, approach to brand awareness and audience engagement will continue to be at the heart of the communications and marketing operation.

+ In parallel, overheads will be maintained as low as inflation renders practical. We have embedded a new CRM, ready to be integrated with a new financial MIS in FY26-27 (Year 4), which further will drive efficiency.

Our overall operational level intent remains to continue to refine and improve the 4-Year Plan's underpinning methodology and logic rather than to steer a different course. Conscious always that it is healthy for a charity to maintain a modest annual deficit to ensure we are spending our generously donated money on benevolence, we nevertheless continue to aim, by the end of Year 6, to be closer to breaking even than has historically been the case. In addition to the ongoing work to enhance the income streams referred to previously, Year 3 and beyond will see increasing emphasis on longer lead time streams, such as legacy giving. We will continue to enhance our investment in face-to-face giving, seeking to increase regular donations, whilst also seeking to diversify our individual giving. And in parallel, we will provide an improved and nuanced corporate offering, particularly for those corporate entities with existing relationships with the Army.

In all of this, coordination with the Armed Forces Covenant Trust (AFCT) and the other single service benevolent funds will continue to be necessary such as to capitalise on the opportunity for greater efficiency and effectiveness in the delivery of outcomes for those in need. This coordination very much is set in context of our position at the heart of the Army's charitable ecosystem and in the wider service charitable sector, working coherently and effectively with the other key charities.

At the same time, it is essential that, as the Army's national charity, we take a strategic view of how to respond over the longer-term. As described in the Chief Executive's foreword, the receipt this year of a highly significant and generous legacy of nearly £25m has reinforced our financial reserve such as to afford the Army Benevolent Fund the opportunity not only to respond to the geopolitical and economic challenges that lie ahead, but also to act proactively, through a deliberate programme of preventative measures, such as to reduce, over the long-term, the number of soldiers, veterans and their families who fall into need of support.

Subsidiary and associated company

Soldiers' Trading Limited is a wholly owned subsidiary of the Army Benevolent Fund. Its purpose is to raise money for the Charity through the online shop and commercial partnerships.

The Soldiers Fund, based in the United States, is an associate of the Army Benevolent Fund. It makes grants in support of soldiers and veterans from the US Army and British Army.

STRUCTURES, GOVERNANCE AND MANAGEMENT

Reference and administrative details

The Army Benevolent Fund is a Company limited by guarantee not having a share capital (Company No. 07974609), governed by the Articles of Association of the Army Benevolent Fund. The Army Benevolent Fund is registered with the Charity Commission (Charity No. 1146420). It is also registered with the Office of the Scottish Charity Regulator; the registration number is SC039189.

The Army Benevolent Fund is governed by the Board of Trustees, which is ultimately responsible for the organisation's strategic direction. The Board of Trustees is assisted by four trustee-led committees: the Governance Committee, which is responsible for governance policies and procedures; the Finance & Investment Committee, which is responsible for oversight of all aspects of the Army Benevolent Fund's financial policies and operations; the Grants Committee, which provides direction to and scrutiny of all grant-giving; and the Fundraising & Marketing Committee, which provides expert guidance on the Army Benevolent Fund's approach to fundraising and marketing.

Trustees are appointed for an initial period of three years, which can be extended for up to two further three-year periods. No trustee can serve for a consecutive period of more than nine years, except when approved by a majority of the other trustees by special resolution.

On appointment, each Trustee undergoes an induction programme tailored to their knowledge and experience. All trustees are offered briefings on charity governance, charity finance and their individual and collective legal responsibilities. A register of trustees' interests is held centrally, and trustees are required to disclose all relevant interests, register them with the Secretary to the Board of Trustees, and in accordance with the Army Benevolent Fund's policy, withdraw from decisions where a conflict of interest arises. Trustees receive no remuneration or benefits in-kind, but are reimbursed for their expenses as noted in the accounts. Trustees receive and review regular reports from the committees and senior management team.

The Board of Trustees met five times in the FY24-25, including their annual, strategy-focused, full day meeting.

The Chief Executive and senior management team are responsible for the day-to-day management of the Army Benevolent Fund's affairs and for implementing the strategies and policies agreed by the Board of Trustees.

The Army Benevolent Fund provides support for the Army family through a range of other charities and organisations. The trustees are grateful to these bodies, and especially the unpaid caseworkers and other volunteers, without whom we would be unable to meet the needs of our beneficiaries.

The Charity is firmly aligned with the Charity Governance Code, closely adhering to the code's seven principles, applying the recommended practices and thus able continually to demonstrate good governance.

Staff remuneration policy

Making effective decisions in relation to remuneration and reward is crucial to the continued success of the Army Benevolent Fund. We aim to pay competitively against our relevant comparators in the voluntary sector. We draw our benchmark data from 'Croner's Charity Rewards', which gives indicative median salaries for all roles and grades from a very wide selection of national charities. All positions in the Army Benevolent Fund are assessed and placed within an appropriate generic pay band. Like the Army we support, we believe in the principle that we are all of one company; thus, people doing similar jobs are paid at similar rates and in accordance with the relative complexity and responsibility of the appointment they hold. We do not pay bonuses or retention inducements.

We also aim to enhance the organisation's competitive positioning by promoting a total-reward approach, recognising that other aspects of the employment package (such as working patterns, benefits and development opportunities, as well as the intrinsic moral value of working for a charity) are also valuable to employees.

Staff remuneration review and annual pay award

Consistent with the approach adopted in the previous two years, the Board of Trustees approached the FY24-25 pay review from the point of view of maintaining two key principles. First, to retain, to the greatest extent possible, our all-of-one-company ethos; seeking to ensure pay parity within pay bands was retained, and no gap appeared between departments, or individual members of staff. Second, to seek to retain our position as broadly comparable with other similar charities, noting the impact of pay settlements across the sector had impacted adversely on our relative position in that regard. And in a wider sense, both principles were set in the context of the economic

situation that, whilst less severe than the last two years, continued to apply pressure to all members of staff.

Against that context, the Board again this year concluded there was merit in applying blanket increases within bands rather than pan-Charity; and in so doing, this allowed the Charity to target slightly higher settlements at those more junior pay bands furthest from the Croner sector median. This resulted in an outcome that saw pay rises of between 1% and 6% depending upon which pay band an individual was in, with an average across the charity of a 4.76% increase.

In accordance with the Charities Statement of Recommended Practice (Charities SORP), the Army Benevolent Fund discloses all payments to trustees (our trustees do not receive remuneration but are reimbursed for valid transport and subsistence expenses) and the number of staff in receipt of more than £60,000 in salary and other benefits (note 10).

Statement of trustees' responsibilities

The trustees (who are also directors of the Army Benevolent Fund for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the trustees to prepare the financial statements for each financial year.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group, for that period.

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

+ Select suitable accounting policies and then apply them consistently.
+ Observe the methods and principles of the Charities SORP.
+ Make judgements and estimates that are reasonable and prudent.
+ State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
+ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Army Benevolent Fund will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

+ There is no relevant material audit information of which the charitable company's auditor is unaware; and
+ Trustees have taken the necessary steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Report of the Trustees, which incorporates the requirements of the Strategic Report and the Directors' Report as set out in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, was approved by the Board, in their capacity as Trustees and company directors, and signed on its behalf on 23rd July 2025.

Sarah Booth
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE ARMY BENEVOLENT FUND

Opinion on the financial statements

We have audited the financial statements of the Army Benevolent Fund ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2025 which comprise the consolidated statement of financial activities, the charity statement of financial activities, the consolidated and charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

+ give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2025 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the year then ended;
+ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
+ have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' 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 Group and the Parent Charitable Company'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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other companies act 2006 reporting

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

+ the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

+ the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

+ proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or

+ the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or

+ certain disclosures of Directors' remuneration specified by law are not made; or

+ we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations

Based on:

+ Our understanding of the Group and Parent Charitable Company and the sector in which it operates;

+ Discussion with management and those charged with governance, including Audit & Risk Committee, legal counsel and internal audit; and

+ Obtaining an understanding of the Group's and the Parent Charitable Company's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities SORP (FRS 102), Charities Act 2011, Companies Act 2006, the Charities and Trustee

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Investment (Scotland) Act 2005 and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Health and Safety Act 1974, Data Protection Act 2018, Employment Rights Act 1996, and the Bribery Act 2010.

Our procedures in respect of the above included:

+ Review of financial statement disclosures and agreeing to supporting documentation;
+ Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
+ Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations; and
+ Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

+ Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
+ Obtaining an understanding of the Group's and Parent Charitable Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
  - Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
  - Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
  - Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Fit and full of life, Olivia enjoyed the opportunities afforded by a career in the Army, until she was diagnosed with MS, which left her blind in her right eye and struggling with her mobility. Since completing an adaptive training course run by Climb2Recovery, which the ABF funds, she has found a new purpose, a sense of belonging, and a wonderful group of friends, all of which have been very positive for her physical and mental health.

Based on our risk assessment, we considered the areas most susceptible to fraud to be to be journals and key estimates and judgements.

Our procedures in respect of the above included:

+ Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
+ Assessing significant estimates and judgements made by management for bias, including the recognition of legacy income and the allocation of costs;
+ Testing the existence and accuracy of income recognised in the year.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: frc.org.uk/auditors responsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

UHY Hacker Young

Tracey Moore BFP ACA
(Senior Statutory Auditor)

For and on behalf of
UHY Hacker Young
Chartered Accountants Statutory Auditors
Thames House, Roman Square, Sittingbourne, Kent ME10 4BJ

25 July 2025

ARMY BENEVOLENT FUND

Consolidated statement of financial activities for the year to 31 March 2025

	NOTES	Unrestricted Funds General (note 19) £'000	Unrestricted Funds Designated (note 20) £'000	Restricted Funds (note 21) £'000	Endowment Funds (note 22) £'000	**Total 2025** £'000	Total 2024 £'000
Income and endowments from:							
Donations and legacies							
The public							
Donations and Appeals Income		3,343	–	–	–	3,343	2,829
Legacies		28,215	–	–	–	28,215	5,241
		31,558	–	–	–	31,558	8,070
Army personnel							
From individuals in Army Units		96	–	–	–	96	55
Regimental and Corps Benevolent Funds		857	–	–	–	857	986
Army Dependants Trust		800	–	–	–	800	917
		1,753	–	–	–	1,753	1,958
Investments	3	1,993	40	244	–	2,277	2,487
Other trading activities		3,152	–	–	–	3,152	2,744
Total Income		38,456	40	244	–	38,740	15,259
Expenditure on:							
Trading activities	4	2,582	–	–	–	2,582	2,464
Other costs of raising funds	5	4,251	–	–	–	4,251	4,003
		6,833	–	–	–	6,833	6,467
Charitable activities							
Grants to Regiments and Corps for the benefit of individuals	6	2,835	11	226	25	3,097	3,385
Grants to other charities	7	3,555	529	219	–	4,303	3,751
		6,390	540	445	25	7,400	7,136
Grant making and other support costs	8	1,713	21	27	–	1,761	2,012
		8,103	561	472	25	9,161	9,148
Total expenditure		14,936	561	472	25	15,994	15,615
Net income/(expenditure) before net (losses)/gains on investments		23,520	(521)	(228)	(25)	22,746	(356)
Net (losses)/gains on investments	13	(1,983)	–	(179)	–	(2,162)	5,401
Net income/(expenditure) for the year		21,537	(521)	(407)	(25)	20,584	5,045
Net interest in the results for the year in associates	14	1	–	–	–	1	1
Net movement in funds		21,538	(521)	(407)	(25)	20,585	5,046
Fund balances at 1 April		83,237	7,840	6,604	225	97,906	92,860
Fund balances at 31 March		104,775	7,319	6,197	200	118,491	97,906

ARMY BENEVOLENT FUND

Charity statement of financial activities for the year to 31 March 2025

	NOTES	Unrestricted Funds General (note 19) £'000	Unrestricted Funds Designated (note 20) £'000	Restricted Funds (note 21) £'000	Endowment Funds (note 22) £'000	**Total 2025** £'000	Total 2024 £'000
Income and endowments from:							
Donations and legacies							
The public							
Donations and Appeals Income		3,343	–	–	–	3,343	2,829
Legacies		28,215	–	–	–	28,215	5,241
		31,558	–	–	–	31,558	8,070
Army personnel							
From individuals in Army Units		96	–	–	–	96	55
Regimental and Corps Benevolent Funds		857	–	–	–	857	986
Army Dependants Trust		800	–	–	–	800	917
		1,753	–	–	–	1,753	1,958
Investments	3	1,993	40	244	–	2,277	2,487
Other trading activities		3,095	–	–	–	3,095	2,678
Total Income		38,399	40	244	–	38,683	15,193
Expenditure on:							
Trading activities	4	2,537	–	–	–	2,537	2,399
Other costs of raising funds	5	4,251	–	–	–	4,251	4,003
		6,788	–	–	–	6,788	6,402
Charitable activities							
Grants to Regiments and Corps for the benefit of individuals	6	2,835	11	226	25	3,097	3,385
Grants to other charities	7	3,555	529	219	–	4,303	3,751
		6,390	540	445	25	7,400	7,136
Grant making and other support costs	8	1,706	21	27	–	1,754	2,006
		8,096	561	472	25	9,154	9,142
Total expenditure		14,884	561	472	25	15,942	15,544
Net income/(expenditure) before net (losses)/gains on investments		23,515	(521)	(228)	(25)	22,741	(351)
Net (losses)/gains on investments	13	(1,983)	–	(179)	–	(2,162)	5,401
Net income/(expenditure) for the year		21,532	(521)	(407)	(25)	20,579	5,050
Net interest in the results for the year in associates	14	1	–	–	–	1	1
Net movement in funds		21,533	(521)	(407)	(25)	20,580	5,051
Fund balances at 1 April		83,218	7,840	6,604	225	97,887	92,836
Fund balances at 31 March		104,751	7,319	6,197	200	118,467	97,887

ARMY BENEVOLENT FUND

Consolidated summary income and expenditure account for the year to 31 March 2025

	All income funds 2025	All income funds 2024
	£'000	**£'000**
Income	38,684	14,944
(Losses)/gains on invetsments	(2,162)	5,401
Gross income in the reporting period	36,522	20,345
Expenditure	15,917	15,519
Total expenditure in the reporting period	15,917	15,519
Net income before tax for the reporting period	20,605	4,826
Tax payable	–	–
Net income for the financial year	20,605	4,826

The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All activities relate to continuing operations.

ARMY BENEVOLENT FUND

Group and charity balance sheets as at 31 March 2025

		GROUP		CHARITY	
		2025	2024	**2025**	2024
	NOTES	**£'000**	**£'000**	**£'000**	**£'000**
Fixed assets					
Intangible assets	11	184	–	184	–
Tangible assets	12	161	21	161	21
Investments	13	76,763	78,330	76,763	78,330
Associate undertaking	14	12	11	12	11
		77,120	78,362	77,120	78,362
Current assets					
Stocks		5	8	–	–
Other debtors	15	19,884	6,536	19,916	6,522
Cash at bank and in hand		22,807	14,687	22,748	14,682
		42,696	21,231	42,664	21,204
Liabilities					
Creditors: amounts falling due within one year	16	(1,325)	(1,595)	(1,317)	(1,587)
Net current assets		41,371	19,636	41,347	19,617
Total assets less current liabilities		118,491	97,998	118,467	97,979
Provisions for liabilities	17	–	(92)	–	(92)
Net assets	18	118,491	97,906	118,467	97,887
Represented by:					
Income funds					
Endowment funds	22	200	225	200	225
Restricted funds	21	6,197	6,604	6,197	6,604
Unrestricted funds					
Designated funds	20	7,319	7,840	7,319	7,840
General funds	19	104,775	83,237	104,751	83,218
Total funds		118,491	97,906	118,467	97,887

Approved by the Board of Trustees and signed on their behalf

Sarah Booth
Chair

Anthony Scott Chartered FSCI
Honorary Treasurer

23rd July 2025
Registered in England and Wales, company number 07974609

ARMY BENEVOLENT FUND

Consolidated statement of cash flows for the year to 31 March 2025

	2025	2024
	£'000	£'000
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	6,794	(5,557)
Cash flows from investing activities:		
Dividends, interest and rents from investments	1,289	1,077
Purchase of equipment	(357)	–
Proceeds from the sale of investments	500	11,000
Purchase of investments	(106)	(98)
Net cash provided by investing activities	1,326	11,979
Change in cash in the reporting period	8,120	6,422
Cash at the beginning of the reporting period	14,687	8,265
Cash at the end of the reporting period	22,807	14,687

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2025	2024
	£'000	£'000
Net income for the reporting period (as per the statement of financial activities)	20,584	5,045
Adjustments for:		
Depreciation charges	34	32
Losses/(gains) on Investments	2,162	(5,401)
Decrease/(increase) in stocks	3	(1)
(Increase) in debtors	(13,349)	(3,221)
(Decrease)/increase in creditors	(363)	476
Dividends, interest and rents from investments	(2,277)	(2,487)
Net cash provided by (used in) operating activities	6,794	(5,557)

ARMY BENEVOLENT FUND

Consolidated statement of cash flows for the year to 31 March 2025

	2025	2024
	£'000	£'000
Analysis of cash		
Cash in hand	2,338	7,276
Notice deposits (less than three months)	20,469	7,411
Total cash	22,807	14,687

	At 1st April 2024	Cashflows	At 31 March 2025
	£'000	£'000	£'000
Analysis of changes in net debt			
Cash in hand	7,276	(4,938)	2,338
Notice deposits (less than three months)	7,411	13,058	20,469
Total cash	14,687	8,120	22,807

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements have been prepared on a going concern basis under the historical cost convention, unless otherwise stated in the relevant accounting policy note, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)) including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £1,000.

Army Benevolent Fund ('the Charity') has taken advantage of the exemption to prepare a charity-only Statement of Cash Flows on the basis that it is a qualifying entity. The consolidated Statement of Cash Flows, within the financial statements, includes the Charity's cash flows.

The Charity constitutes a public benefit entity as defined by FRS 102.

CONSOLIDATION

The financial statements consolidate Army Benevolent Fund and its trading subsidiary company, Soldiers' Trading Limited on a line-by-line basis.

INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and income from fundraising events are recorded in the financial statements when receivable. Income received from events is recognised in the period in which the event takes place. Income from legacies is taken into the Statement of Financial Activities when received or when receipt is probable, and the value can be measured with sufficient reliability. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. Investment income is recognised when receivable. Grants are included as income when these are receivable.

COSTS OF RAISING FUNDS

Costs of raising funds comprise those incurred in seeking voluntary income and costs incurred in generating income from trading activities. Fundraising costs include advertising, producing publications, printing, and mailing fundraising material, associated staff costs and an appropriate allocation of support costs.

CHARITABLE EXPENDITURE

Grants payable in furtherance of the Charity's objects are recognised as expenditure in the year in which the grant is formally approved by the Charity and has been communicated to the recipient, except to the extent that it is subject to conditions that enable the Charity to revoke the award. Any refunds of grants are credited to the line in which they were originally allocated in the financial statements.

GRANT MAKING AND OTHER SUPPORT COSTS

Grant making costs are those costs incurred in support of the Charity's primary objective of paying grants to those in need. Other support to charities reflects the support given to other charities in terms of management and staff time; other associated infrastructure costs and in certain circumstances subsidies for accommodation costs for office space occupied at Mountbarrow House. Governance costs represent those costs associated with the governance arrangements of the Charity which relate to the general running of the Charity. Such costs include external audit fees, legal costs, related trustee costs and costs associated with compliance with statutory requirements.

INVESTMENTS IN ASSOCIATES

Investments in associates are measured in accordance with Section 14 of FRS 102. As such, investments in associates are initially recognised at the transaction price and are subsequently adjusted to reflect the Charity's share of the surplus, other comprehensive income, and equity of the associate.

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

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. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. The investment portfolio does not acquire put options, derivatives, or other complex financial instruments. The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities. Dividends from accumulating units are recognised as investment income and reinvested for capital growth.

Rental income is recognised in the period to which it relates.

INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life. The asset is amortised over eight years.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing more than £1,000 are capitalised and included at cost, including any incidental expenses relating to the acquisition. Depreciation is provided for all tangible fixed assets so as to write off their cost in equal instalments over their expected useful lives as follows:

Computer equipment	3 years
Operating software	8 years
Office furniture and fittings	3-5 years
Leasehold improvements	Over the term of the lease

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

GOING CONCERN

The trustees have assessed whether there are material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees have made this assessment in respect of a period of at least one year from the date of the approval of the financial statements.

The trustees receive forecasts and financial projections that detail variations in the level and timing of future income and funding and have considered the short- and longer-term financial projections and other risks that may affect the Charity. They have considered the key risks that could negatively impact the going concern of the Army Benevolent Fund and have considered budgets and forecasts, cashflow projections, reserves levels and contingency and recovery plans. These continue to be regularly monitored by the trustees and senior management team.

The trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The trustees believe that, whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Charity's ability to continue as a going concern. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

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.

CASH AT BANK AND IN HAND

Cash at bank and 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.

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

STOCK

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

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 a transfer of funds to a third party and the amount due to settle the obligation can be measured reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

OPERATING LEASES

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the period of the lease.

PENSION COSTS

Eligible employees are automatically enrolled into a Group Personal Pension scheme which is operated on a contributory basis. The assets of the Group Personal Pension Scheme are held separately from those of the Charity and contributions payable by the Charity are charged in the Statement of Financial Activities in the year in which they are payable.

FOREIGN CURRENCY

Transactions denominated in foreign currencies are recorded at the exchange rates ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are converted to Sterling at the rates of exchange ruling at the balance sheet date. The financial statements of overseas operations are translated to Sterling at the approximate rates of exchange ruling at the balance sheet date. All differences are recorded in the Statement of Financial Activities.

VOLUNTEERS

The Charity benefits greatly from the involvement and enthusiastic support of its volunteers. These include our president, trustees, and regional fundraising groups. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not included in the financial statements.

ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgements and estimates are continually evaluated and are based on historical experience as well as other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The matters considered below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cash flows.

A. COST ALLOCATION

Support costs not attributable to a single charitable activity are allocated or apportioned on a basis consistent with identified cost drivers for that cost category. Cost drivers utilised include head count, staff time allocation, and effort and judgement is exercised in applying cost drivers to cost categories.

B. LEGACY INCOME ACCRUAL

Legacy income is recognised in accordance with the income recognition policy. In calculating the level of legacy accrual, management is required to exercise estimation and judgement, particularly in determining the amount and probability of receipt.

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

2. SUBSIDIARY COMPANY'S RESULTS

SOLDIERS' TRADING LIMITED

Included in Donations and appeals income in Income, is general purpose trading income arising in Soldiers' Trading Limited. The results were as follows:

	2025	2024
	£'000	£'000
Turnover	67	82
Cost of Sales	(40)	(59)
Gross Profit	27	23
Administrative expenses	(12)	(12)
Profit on ordinary activities	15	11
Tax on profit	–	–
Profit after tax and for the financial year	15	11
Opening retained earnings	19	24
Payment to parent charity under Gift Aid	(11)	(16)
Closing retained earnings	23	19

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

3. INVESTMENT INCOME – GROUP AND CHARITY

	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	Total 2025	Total 2024
	£'000	£'000	£'000	£'000	£'000
Dividends and Distributions	989	–	244	1,233	1,601
Bank interest	780	40	–	820	442
	1,769	40	244	2,053	2,043
Rental Income	224	–	–	224	444
Total	1,993	40	244	2,277	2,487

4. TRADING ACTIVITIES

	GROUP		CHARITY	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Fundraising Trading costs	1,864	1,479	1,819	1,414
Central and administrative costs	718	985	718	985
Total	2,582	2,464	2,537	2,399

5. OTHER COSTS OF RAISING FUNDS – GROUP AND CHARITY

	2025	2024
	£'000	£'000
Other Costs of raising funds	2,666	2,583
Advertisements and promotion	608	632
Central and administrative costs	977	788
Total	4,251	4,003

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

6. GRANTS FOR THE BENEFIT OF INDIVIDUALS

All grants made for the benefit of soldiers, former soldiers and their immediate families are paid through their parent regimental or corps charities. The total value of these grants made during the year was £3,097k (2024: £3,385k).

7. GRANTS TO OTHER CHARITIES AND ORGANISATIONS

The Charity, on behalf of the partnership of Army charitable funds, makes grants to national charities and occasionally other organisations which support soldiers, former soldiers, and their immediate families.

By the nature of Service charities and other charities supporting serving and former soldiers, many of Army Benevolent Fund's trustees and senior management work closely with, or serve as trustees for, some of the charities listed below that receive grants from us. Where this applies, the trustee or member of the management team will not take part in the grant making decision process.

The total values of the grants made during the year for the Group and Charity were:

GRANTS FROM GENERAL FUNDS:	2025 £'000	2024 £'000
ELDERLY		
Age In Spain	10	15
Age UK Lancashire	11	–
Age UK Waltham Forest	10	–
Broughton House	120	120
Care for Veterans (Queen Alexandra Hospital Home)	149	110
Erskine Hospital	150	150
Royal Commonwealth Ex-Services League	177	195
Royal Hospital Chelsea	50	50
Royal Star & Garter Home	80	70
	757	710

	2025 £'000	2024 £'000
EMPLOYMENT AND TRAINING		
Buildforce	-	2
Building Heroes Education Foundation	2	-
Climb 2 Recovery	-	15
The Heritage Crafts Association (Heritage Crafts)	9	14
Mission Motorsport	5	27
On Course Foundation	6	5
PATT Foundation	-	10
Prisoners Education Trust	18	20
Recruit for Spouses	21	14
Forces Employment Charity (formerly Regular Forces Employment Association)	170	100
The Open University	10	10
The Poppy Factory	40	30
Turn to Starboard (T2S)	18	24
X-Forces	30	20
	329	291

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

7. GRANTS TO OTHER CHARITIES AND ORGANISATIONS (CONTINUED)

GRANTS FROM GENERAL FUNDS (CONTINUED):	2025 £'000	2024 £'000
FAMILY		
Army Families Federation	56	45
Army Welfare Service	200	200
Army Widows' Association	26	35
COBSEO, The Confederation of Service Charities	28	28
Dandelion Military Families CIC	2	–
Families Activity Breaks	43	30
Forces Children Scotland (formerly known as RCET)	25	–
Give Us Time	10	10
Hong Kong LEP Trust	12	12
Little Troopers/ My Daddy is a Soldier Adventures	10	–
Lord Kitchener Memorial Holiday Centre	–	10
Make Some Noise	–	10
National Gulf Veterans & Families Association	40	20
Queen Elizabeth Hospital Birmingham - Fisher House	10	10
Reading Force	18	20
Re-Vitalise	30	–
Ruskin Mill Land Trust	–	4
Scotty's Little Soldiers	35	30
Shared Parenting Scotland	6	–
SSAFA Central Office	220	135
SSAFA CMS Costs	77	102
St Nicholas CofE Primary School PTA	–	5
Veterans Scotland	15	15
Veterans with Dogs	15	–
YMCA Brunel Group (Little Ducklings)	–	5
	878	726

	2025 £'000	2024 £'000
HOUSING		
Alabaré Christian Care & Support	–	20
Armed Forces & Veterans Launchpad	70	25
Haig Homes	90	150
Help for Homeless Veterans	10	–
Lord Leycester Hospital	–	18
Royal British Legion Industries	245	68
Scottish Veterans Residences	30	–
Sir Oswald Stoll Foundation (Stoll)	48	–
The Royal Homes Wimbledon (SSAFA)	–	28
	493	309

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

7. GRANTS TO OTHER CHARITIES AND ORGANISATIONS (CONTINUED)

GRANTS FROM GENERAL FUNDS (CONTINUED):	2025 £'000	2024 £'000
WELLBEING		
Abberton Rural Training	–	15
AFC Fylde Community Foundation	10	–
Anxious Minds	10	–
Armed Forces Equine Charity (formerly Tedworth Equestrian)	20	–
Aurora New Dawn	35	–
Bay Veteran's Association	5	–
Bound by Veterans	10	–
Brooke House Health and Wellbeing centre	8	14
Change Mental Health Ltd	10	3
Combat Stress	15	143
Community Drug and Alcohol Recovery Services (CDARS)	5	–
Dads Unlimited	–	15
Dig In North West	–	9
Defence Medical Welfare Service (DMWS)	225	150
Dundee Therapy Garden	25	16
East Durham Veterans Trust	12	10
Fares4Free	27	30
Fighting With Pride (FWP)	–	35
Firstlight Trust	–	20
Glen Art/Bravehound	15	10
Hospice UK	–	10
Highground	10	10
HorseBack UK	20	20
Hounds for Heroes	10	10
Humankind (Waythrough Charity)	10	–
Icarus	20	–
Improving Lives Plymouth	–	10
James' Place Charity	20	–
Jersey Joint Services Veterans Assoc (JJSVA)	7	12
Lothian Veterans Centre	20	10
Military Wives Choirs Foundation	–	10
Music in Hospitals and Care	5	–
Phyllis Tuckwell Hospice	–	5
PTSD Resolution CIO	5	–
Queen's Regimental Association	–	30
Root Cause Project (CIC)	5	2
SafeLives	142	–
Service Dogs UK	22	20
Smart Savings CIC	8	10
South Kent Mind	–	4
Spinal Injuries Association	42	30
Step Together Volunteering	20	30

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

7. GRANTS TO OTHER CHARITIES AND ORGANISATIONS (CONTINUED)

GRANTS FROM GENERAL FUNDS (CONTINUED):	2025 £'000	2024 £'000
WELLBEING (CONTINUED)		
Style for Soldiers	10	10
Taxi Charity for Military Veterans	10	8
The Bridge for Heroes	30	20
The Gwennili Trust	10	10
The Not Forgotten Association	50	50
The Warrior Programme	40	30
Thistle Health and Wellbeing	20	–
Together Co	5	8
Veterans' Growth	20	10
Veterans Outdoors	5	10
The Vine Centre	5	5
Walking with The Wounded	25	10
Waterloo Uncovered	20	12
We Are With You (formerly Addaction)	50	47
	1,098	923

	2025 £'000	2024 £'000
Total Grants from General Funds	3,555	2,959

GRANTS FROM DESIGNATED FUNDS:	2025 £'000	2024 £'000
EMPLOYMENT EDUCATION AND TRAINING		
Buildforce	–	7
Climb 2 Recovery	25	–
Mission Motorsport	20	–
Forces Employment Charity (formerly Regular Forces Employment Association)	10	45
The Poppy Factory	55	30
	110	82

	2025 £'000	2024 £'000
FAMILY		
Forces Children Scotland (formerly known as RCET)	5	–
National Gulf Veterans & Families Association	5	10
SSAFA Central Office	10	65
	20	75

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

7. GRANTS TO OTHER CHARITIES AND ORGANISATIONS (CONTINUED)

GRANTS FROM DESIGNATED FUNDS (CONTINUED):	2025 £'000	2024 £'000
HOUSING		
Armed Forces & Veterans Launchpad	5	5
Haig Homes	60	25
Lord Leycester Hospital	11	2
Royal British Legion Industries (RBLI)	5	–
Sir Oswald Stoll Foundation (Stoll)	–	10
	81	42

	2025 £'000	2024 £'000
WELLBEING		
Change Mental Health Ltd	–	1
Combat Stress	223	100
Dig In North West	–	2
Defence Medical Welfare Service (DMWS)	–	40
Fares4Free	5	–
Glen Art / Bravehound	–	5
Highground	10	5
Icarus	10	–
Lothian Veterans Centre	–	4
PTSD Resolution CIO	10	–
Step Together Volunteering	10	–
Style for Soldiers	10	10
Taxi Charity for Military Veterans	–	2
The Bridge for Heroes	–	5
The Not Forgotten Association	25	10
The Warrior Programme	5	10
Veterans' Growth	–	5
Veterans Outdoors	5	–
Walking With The Wounded	5	10
Waterloo Uncovered	–	2
	318	211

	2025 £'000	2024 £'000
Total Grants from Designated Funds	529	410

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

7. GRANTS TO OTHER CHARITIES AND ORGANISATIONS (CONTINUED)

GRANTS FROM RESTRICTED FUNDS:	2025 £'000	2024 £'000
EMPLOYMENT EDUCATION AND TRAINING		
Buildforce	–	4
Building Heroes Education Foundation	4	–
Forces Employment Charity (formerly Regular Forces Employment Association)	115	125
Mission Motorsport	5	–
The Heritage Crafts Association (Heritage Crafts)	5	–
The Poppy Factory	5	40
X-Forces	–	16
	134	185

	2025 £'000	2024 £'000
FAMILY		
National Gulf Veterans & Families Association	–	10
SSAFA Central Office	15	30
	15	40

	2025 £'000	2024 £'000
WELLBEING		
Change Mental Health Ltd	–	2
Combat Stress	37	32
Defence Medical Welfare Service (DMWS)	–	10
Dig In North West	–	4
Dundee Therapy Garden	–	4
Falkland Islands Memorial Chapel Trust	8	–
Fares4Free	5	–
Highground	–	5
Lothian Veterans Centre	–	4
Taxi Charity for Military Veterans	5	5
The Bridge for Heroes	–	5
The Not Forgotten Association	5	20
Veterans' Growth	–	5
Walking With The Wounded	5	5
The Warrior Programme	5	10
Waterloo Uncovered	–	6
	70	117

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

7. GRANTS TO OTHER CHARITIES AND ORGANISATIONS (CONTINUED)

GRANTS FROM RESTRICTED FUNDS (CONTINUED):	2025	2024
	£'000	£'000
HOUSING		
Armed Forces & Veterans Launchpad	–	5
Haig Homes	–	25
Sir Oswald Stoll Foundation (Stoll)	–	10
	–	40

	2025	2024
	£'000	£'000
Total Grants from Restricted Funds	219	382

	2025	2024
	£'000	£'000
Grants from General Funds	3,555	2,959
Grants from Designated Funds	529	410
Grants from Restricted Funds	219	382
	4,303	3,751

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

8. GRANT MAKING AND OTHER SUPPORT COSTS

	GROUP		CHARITY	
	2025	2024	**2025**	2024
	£'000	**£'000**	**£'000**	**£'000**
Support costs				
Central and administrative	299	417	299	411
Support costs	890	993	890	993
Other costs	67	63	67	63
Advertisement and promotion	327	340	327	340
Governance costs				
Central and administrative	144	168	144	174
Auditor's remuneration (note 8b)	31	27	24	21
Trustee expenses	3	4	3	4
	1,761	2,012	1,754	2,006

8b INCOME / EXPENDITURE FOR THE YEAR

This is stated after charging:

	GROUP		CHARITY	
	2025	2024	**2025**	2024
	£'000	**£'000**	**£'000**	**£'000**
Auditor's remuneration - audit services	30	26	23	20
Auditor's remuneration - taxation advisory services	1	1	1	1
Depreciation of tangible fixed assets	34	32	34	32
Payments under operating leases:				
- land and buildings	439	693	439	693
- other assets	114	102	114	102
	618	854	611	848

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

9. STAFF COSTS - GROUP AND CHARITY

TOTAL STAFF COSTS COMPRISED:	2025	2024
	£'000	£'000
Wages and salaries	3,795	3,569
Social security costs	378	350
Pensions contributions	190	180
	4,363	4,099

The Charity employed an average staff of 84 (11 part-time) (2024: 83 including 10 part-time) of whom 55 (2024: 53) were employed at the Charity's head office. A small number of these individuals were on short-term contracts to cover vacant posts and also from time to time we engage a limited number of contract and agency staff. There is £11k included in staff costs related to settlement (2024: £2k).

The number of employees whose employee benefits exceeded £60,000 was:

	2025	2024
	NO.	NO.
£60,001 - £70,000	7	6
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-
£90,001 - £100,000	2	3
£140,001 - £150,000	1	1

Pension contributions of £58k (2024: £45k) were made on behalf of eligible higher paid employees.

The key management personnel for the Charity comprise the trustees and the executive board (senior management board). The trustees received no remuneration or benefits-in-kind during the year (2024: £nil). They were reimbursed expenses during the year as stated in note 10.

The total remuneration, including employer's pension contributions and employer's National Insurance contributions paid to the executive board, amounted to £721k (2024: £699k).

10. RELATED PARTY TRANSACTIONS

No trustees have been remunerated for their role as a trustee. Eight trustees were reimbursed £3k for travel expenses which had been directly incurred during the year under review (2024: £4k to seven trustees).

During the year, trustees made donations to the charity totalling £5k (2024: £nil). Business interests of one of the trustees donated £10k to the charity (2024: £nil). These donations were received without conditions.

Trustees and members of key management of the Army Benevolent Fund hold trustee positions and have connections with other organisations with military connections. Grants may be made to these charities by the Army Benevolent Fund. These are made in accordance with the charity's normal processes and within the parameters of its conflicts of interests policy.

During the year ending 31 March 2025, the Charity charged its subsidiary £5k for management fees relating to Soldiers' Trading Limited's activities (2024: £5k). Soldiers' Trading Limited donated £11k to Army Benevolent Fund from its profits (2024: £16k). At 31 March 2025, there was a balance of £34k (2024: £16k) owed to the Army Benevolent Fund by Soldiers' Trading Limited.

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

11. INTANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Computer software	
	2025	2024
COST	**£'000**	**£'000**
At 1 April	–	–
Additions during the year	192	–
At 31 March	192	–
Amortisation		
At 1 April	–	–
Charge for the year	8	–
At 31 March	184	–
Net book value at 31 March	184	–

12. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Leasehold Improvements		Office furniture, fittings & equipment			
	2025	2024	**2025**	2024	**Total 2025**	Total 2024
COST	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 April	134	134	285	324	419	458
Additions during the year	163	–	2	–	165	–
Disposals during the year	(7)	–	–	(39)	(7)	(39)
At 31 March	290	134	287	285	577	419
Depreciation						
At 1 April	132	115	265	289	397	405
Charge for the year	19	17	7	15	26	32
Disposals for the year	(7)	–	–	(39)	(7)	(39)
At 31 March	144	132	272	265	416	398
Net book value at 31 March	146	2	15	20	161	21

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

13. INVESTMENTS – GROUP AND CHARITY

	Unrestricted Funds		Restricted Funds	
	General	Designated		Total
	£'000	£'000	£'000	£'000
Market value 1 April 2024	73,404	–	4,926	78,330
Purchase of investments	1,095	–	–	1,095
Sale of investments	–	–	(500)	(500)
Net losses on investments	(1,983)	–	(179)	(2,162)
Market value 31 March 2025	72,516	–	4,247	76,763
Cost				
At 31 March 2025	54,723	–	2,051	56,774
At 31 March 2024	53,628	–	2,269	55,897

All of the investments listed above are held by the Charity, including 100% of the issued share capital of Soldiers' Trading Limited. Both the cost and valuation of this shareholding is £1.

The investment portfolio comprises the following at market value:

	Unrestricted Funds		Restricted Funds	
	General	Designated		Total
	£'000	£'000	£'000	£'000
BLACKROCK – ARMED FORCES CHARITIES GROWTH AND INCOME FUND				
Income units	–	–	4,247	4,247
Accumulation units	30,641	–	–	30,641
CCLA – COIF				
Accumulation units	41,875	–	–	41,875
Market value 31 March 2025	72,516	–	4,247	76,763

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

14. ASSOCIATES

The Soldiers' Fund (TSF) was incorporated as a tax-exempt charity in the United States in 2012, its primary purpose being to raise funds for British Army personnel, past and present, and their families in times of need. As Army Benevolent Fund can appoint three of the eleven directors of TSF, it is treated as an associate undertaking for the purposes of the consolidated financial statements. The Charity's share of TSF's surplus as at 31 March 2025 was £1k (2024: surplus, £1k). The Charity's share of TSF's net assets was £12k (2024: £11k).

15. OTHER DEBTORS AND PREPAYMENTS

	GROUP		CHARITY	
	2025	2024	**2025**	2024
	£'000	**£'000**	**£'000**	**£'000**
Prepayments and accrued income	19,784	6,298	19,784	6,291
Other debtors	100	238	98	215
Due from subsidiary	–	–	34	16
Total	19,884	6,536	19,916	6,522

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2025	2024	**2025**	2024
	£'000	**£'000**	**£'000**	**£'000**
Deferred income				
At 1 April	830	375	830	375
Arising during the year	1,484	1,362	1,484	1,362
Released during the year	(1,403)	(907)	(1,403)	(907)
At 31 March	911	830	911	830
Trade creditors	170	378	170	377
Accrued expenses	272	328	230	306
Other creditors	(28)	59	6	74
Total	1,325	1,595	1,317	1,587

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

17. PROVISIONS FOR LIABILITIES – GROUP AND CHARITY

	2025	2024
	£'000	£'000
At 1 April	92	110
Amounts provided for	–	–
Amounts released	(92)	(18)
At 31 March	–	92

The Charity has renewed an eight-year lease to January 2032 with the current landlord. The new lease signed on 28 June 2024 sets out that no dilapidation will be payable by the Charity.

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP	Tangible Fixed Assets 2025 £'000	Investments and Associates 2025 £'000	Net Current Assets 2025 £'000	Group Total 2025 £'000
General Funds	345	72,529	31,901	104,775
Designated Funds				
Afghanistan Fund	–	–	5,333	5,333
Current Operations Fund	–	–	1,986	1,986
	–	–	7,319	7,319
Restricted Funds				
Commandos Benevolent	–	–	247	247
DEFLOG VQ Trust	–	–	692	692
Falklands Fund	–	2,690	637	3,327
George Purse Trust Fund	–	1,556	375	1,931
	–	4,246	1,951	6,197
Expendable endowment	–	–	200	200
Edward Gostling Fund	345	76,775	41,371	118,491

GROUP	Tangible Fixed Assets 2024 £'000	Investments and Associates 2024 £'000	Net Current Assets 2024 £'000	Group Total 2024 £'000
General Funds	21	73,415	9,801	83,237
Designated Funds				
Afghanistan Fund	–	–	5,593	5,593
Current Operations Fund	–	–	2,247	2,247
Relocation Fund	–	–	–	–
	–	–	7,840	7,840
Restricted Funds				
Commandos Benevolent	–	–	247	247
DEFLOG VQ Trust	–	–	926	926
Falklands Fund	–	3,297	100	3,397
George Purse Trust Fund	–	1,629	405	2,034
Gulf Fund	–	–	–	–
	–	4,926	1,678	6,604
Expendable endowment				
Edward Gostling Fund	–	–	225	225
	21	78,341	19,544	97,906

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

CHARITY	Tangible Fixed Assets 2025 £'000	Investments and Associates 2025 £'000	Net Current Assets 2025 £'000	Charity Total 2025 £'000
General Funds	345	72,529	31,877	104,751
Designated Funds				
Afghanistan Fund	–	–	5,333	5,333
Current Operations Fund	–	–	1,986	1,986
	–	–	7,319	7,319
Restricted Funds				
Commandos Benevolent	–	–	247	247
DEFLOG VQ Trust	–	–	692	692
Falklands Fund	–	2,690	637	3,327
George Purse Trust Fund	–	1,556	375	1,931
	–	4,246	1,951	6,197
Expendable endowment	–	–	200	200
Edward Gostling Fund	345	76,775	41,347	118,467

CHARITY	Tangible Fixed Assets 2024 £'000	Investments and Associates 2024 £'000	Net Current Assets 2024 £'000	Charity Total 2024 £'000
General Funds	21	73,415	9,782	83,218
Designated Funds				
Afghanistan Fund	–	–	5,593	5,593
Current Operations Fund	–	–	2,247	2,247
Relocation Fund	–	–	–	–
	–	–	7,840	7,840
Restricted Funds				
Commandos Benevolent	–	–	247	247
DEFLOG VQ Trust	–	–	926	926
Falklands Fund	–	3,297	100	3,397
George Purse Trust Fund	–	1,629	405	2,034
Gulf Fund	–	–	–	–
	–	4,926	1,678	6,604
Expendable endowment				
Edward Gostling Fund	–	–	225	225
	21	78,341	19,525	97,887

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

19. GENERAL FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY

GENERAL FUNDS	GROUP		CHARITY	
	2025	2024	**2025**	2024
	£'000	**£'000**	**£'000**	**£'000**
At 1 April	83,237	65,673	83,218	65,649
Income and interest in associate	38,457	14,672	38,400	14,606
Expenditure	(14,936)	(14,420)	(14,884)	(14,349)
(Losses)/gains	(1,983)	5,312	(1,983)	5,312
Transfer from the Designated Fund	–	12,000	–	12,000
At 31 March	104,775	83,237	104,751	83,218

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

20. DESIGNATED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY

	Afghanistan Fund 2025	Current Operations Fund 2025	Total 2025
	£'000	£'000	£'000
Income			
Income from charitable activities	–	–	–
Income from investments	40	–	40
Total income	40	–	40
Expenditure			
Grants to other charities	(279)	(250)	(529)
Grants for the benefit of individuals	(11)	–	(11)
Grant making and other support costs	(10)	(11)	(21)
Total expenditure	(300)	(261)	(561)
Net (expenditure) before net gains/ (losses) on investments	(260)	(261)	(521)
Net gains/(losses) on investments	–	–	–
Net (expenditure) for the year	(260)	(261)	(521)
Net movement in funds	(260)	(261)	(521)
Fund balances at 1 April	5,593	2,247	7,840
Fund balances at 31 March	5,333	1,986	7,319

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

20. DESIGNATED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY (CONTINUED)

	Afghanistan Fund 2024	Current Operations Fund 2024	Relocation Fund 2024	Total 2024
	£'000	£'000	£'000	£'000
Income				
Income from charitable activities	–	–	–	–
Income from investments	37	–	–	37
Total income	37	–	–	37
Expenditure				
Grants to other charities	(410)	–	–	(410)
Grants for the benefit of individuals	(23)	–	–	(23)
Grant making and other support costs	(10)	–	–	(10)
Total expenditure	(443)	–	–	(443)
Net (expenditure) before net gains/ (losses) on investments	(406)	–	–	(406)
Net gains/(losses) on investments	–	–	–	–
Net (expenditure) for the year	(406)	–	–	(406)
Transfer to the General Fund	–	–	(12,000)	(12,000)
Net movement in funds	(406)	–	(12,000)	(12,406)
Fund balances at 1 April	5,999	2,247	12,000	20,246
Fund balances at 31 March	5,593	2,247	–	7,840

Designated Funds, within Unrestricted Funds, are set aside at the discretion of the trustees for specific purposes and time. The Designated Funds now consist of the Current Operations Fund (COF), the Afghanistan Fund and the Relocation Fund (RF).

+ The Current Operations Fund was established in 2007 to provide a continuing fund for soldiers, former soldiers, and their dependants in times of need who are suffering distress as a result of military operations being undertaken at that time and all subsequent military operations. It will continue in place until such time as all eligible beneficiaries no longer survive.

+ The Afghanistan Fund was set up to support Army families affected by the Afghanistan campaign. Similarly, this will be time limited.

+ The Relocation Fund of £12 million, earmarked for the purchase of the Charity's head office, was transferred to the general funds in 2024 following the infrastructure review. The Charity has renewed an eight-year lease to January 2032 with the current landlord.

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

21. RESTRICTED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY

	Commandos Benevolent Fund	DEFLOG VQ Fund	Falklands Fund	George Purse Trust	**Total**
	2025	**2025**	**2025**	**2025**	**2025**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Income					
Income from charitable activities	–	–	–	–	–
Income from investments	–	–	160	84	244
Total income	–	–	160	84	244
Expenditure					
Grants to other charities	–	(114)	(105)	–	(219)
Grants for the benefit of individuals	(1)	(119)	(4)	(102)	(226)
Grant making and other support costs	–	–	(16)	(11)	(27)
Total expenditure	(1)	(233)	(125)	(113)	(472)
Net (expenditure) before net (losses) on investments	(1)	(233)	35	(29)	(228)
Net (losses) on investments	–	–	(107)	(72)	(179)
Net (expenditure) for the year	(1)	(233)	(72)	(101)	(407)
Net movement in funds	(1)	(233)	(72)	(101)	(407)
Fund balances at 1 April	247	926	3,397	2,034	6,604
Fund balances at 31 March	246	693	3,325	1,933	6,197

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

21. RESTRICTED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY (CONTINUED)

	Commandos Benevolent Fund	DEFLOG VQ Fund	Falklands Fund	George Purse Trust	Gulf Fund	Various Legacies	The Band Trust	Total
	2024	2024	2024	2024	2024	2024	2024	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income								
Income from charitable activities	–	–	–	–	–	10	100	110
Income from investments	–	–	128	63	–	–	–	191
Total income	–	–	128	63	–	10	100	301
Expenditure								
Grants to other charities	–	(121)	(139)	–	(123)	–	–	(383)
Grants for the benefit of individuals	(7)	(106)	(8)	(77)	(11)	(10)	(100)	(319)
Grant making and other support costs	–	–	(15)	(5)	(5)	–	–	(25)
Total expenditure	(7)	(227)	(162)	(82)	(139)	(10)	(100)	(727)
Net (expenditure) before net gains on investments	(7)	(227)	(34)	(19)	(139)	–	–	(426)
Net gains on investments	–	–	59	30	–	–	–	89
Net (expenditure)/income for the year	(7)	(227)	25	11	(139)	–	–	(337)
Net movement in funds	(7)	(227)	25	11	(139)	–	–	(337)
Fund balances at 1 April	254	1,153	3,372	2,023	139	–	–	6,941
Fund balances at 31 March	247	926	3,397	2,034	–	–	–	6,604

The Restricted Funds consist of:

+ The Army Commandos' Benevolent Fund gave the bulk of its winding up funds as a grant to the Amy Benevolent Fund for the assistance of any such persons who have served in the Commandos and in making grants to charitable organisations which directly or indirectly benefits the persons or dependents of persons who have served in the Commandos. There have been no cases presented this year where an individual met the criteria for eligibility for funding from the Commandos fund.

+ The DEFLOG VQ Trust was set up from the funds received from The DEFLOG VQ Trust, which folded into the Army Benevolent Fund four years ago. The funds are restricted to advance education and training and to relieve unemployment; and relieve the needs of people who are at risk of becoming socially excluded, through the promotion of social inclusion.

+ The Falklands Fund, which exists to meet the needs of soldiers, former soldiers and their dependants who have suffered distress as a result of the Falklands conflict.

+ The George Purse Trust Fund which exists to make grants that would not otherwise be provided out of Charity Unrestricted funds to support the welfare needs of ex-Army personnel, dependants and carers residing in the former boundaries of the counties of Glamorgan and Monmouthshire.

+ The Gulf Trust (Army and Civilian) Fund was set up to meet the needs of soldiers, civilian personnel attached to or accompanying the Armed Forces and their dependants who have suffered distress as a result of the Gulf conflict and any continuing operations. The fund was fully expended in 2024.

+ The Charity received three legacies which were restricted to meet the needs of soldiers, former soldiers and their dependants in defined locations. This was fully expended in 2024.

+ The Band Trust contributed £100k towards mobility related assistance as part of our Independent Living Programme. The fund was fully expended in 2024.

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

22. ENDOWMENT FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY

	Edward Gostling Fund **2025**	Total **2025**	Edward Gostling Fund 2024	Total 2024
	£'000	**£'000**	**£'000**	**£'000**
Income				
Income from charitable activities	–	–	250	250
Income from investments	–	–	–	–
Total income	–	–	250	250
Expenditure				
Grants to other charities	–	–	–	–
Grants for the benefit of individuals	(25)	(25)	(25)	(25)
Grant making and other support costs	–	–	–	–
Total expenditure	(25)	(25)	(25)	(25)
Net (expenditure)/income before net gains/(losses) on investments	(25)	(25)	225	225
Net gains/(losses) on investments	–	–	–	–
Net income for the year	(25)	(25)	225	225
Transfer to the General Fund	–	–	–	–
Net movement in funds	(25)	(25)	225	225
Fund balances at 1 April	225	225	–	–
Fund balances at 31 March	200	200	225	225

The expendable endowment was a donation of £250,000 from the Edward Gostling Foundation. The fund will be used to provide grants to soldiers, former soldiers and their families over a period of ten years from 2024 to enable independent living.

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

23. FINANCIAL INSTRUMENTS

	GROUP		CHARITY	
	2025	2024	**2025**	2024
	£'000	**£'000**	**£'000**	**£'000**
Financial assets				
Financial assets measured at fair value through income and expenditure	76,763	78,330	76,763	78,330

Financial assets measured at fair value comprise listed investments.

24. PENSION COSTS

Army Benevolent Fund Group Pension Plan

Employer contributions to the auto enrolment scheme during the year to 31 March 2025 amounted to £190k (2024: £180k).

There was no outstanding pension contribution as at 31 March 2025 (2024: £30k).

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

25. OPERATING LEASE COMMITMENTS

At 31 March 2025 the Charity had future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Land and buildings **2025**	Office machinery **2025**	Vehicles **2025**	Total **2025**
	£'000	**£'000**	**£'000**	**£'000**
Not later than one year	286	13	73	372
Later than one year and not later than five years	843	14	145	1,002
Later than five years	515	–	–	515
	1,644	27	218	1,889

	Land and buildings 2024	Office machinery 2024	Vehicles 2024	Total 2024
	£'000	**£'000**	**£'000**	**£'000**
Not later than one year	720	13	–	733
Later than one year and not later than five years	168	4	–	172
Later than five years	–	–	–	–
	888	17	–	905

The lease between the Army Benevolent Fund and Grosvenor Estate Belgravia covers part of the first and second floors, and the entire third floor at Mountbarrow House.

26. CAPITAL COMMITMENTS

	GROUP		CHARITY	
	2025	2024	**2025**	2024
	£'000	**£'000**	**£'000**	**£'000**
Contractual commitments	25	–	25	–

At 31 March 2025, the Army Benevolent Fund had capital commitments in respect of its CRM software.

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

27. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	NOTES	Total 2025	Unrestricted Funds General (note 19)	Unrestricted Funds Designated (note 20)	Restricted Funds (note 21)	Endowment Funds (note 22)	Total 2024
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:							
Donations and legacies							
The public							
Donations and Appeals Income		3,343	2,479	–	100	250	2,829
Legacies		28,215	5,231	–	10	–	5,241
		31,558	7,710	–	110	250	8,070
Army personnel							
From individuals in Army Units		96	55	–	–	–	55
Regimental and Corps Benevolent Funds		857	986	–	–	–	986
Army Dependants Trust		800	917	–	–	–	917
		1,753	1,958	–	–	–	1,958
Investments	3	2,277	2,259	37	191	–	2,487
Other trading activities		3,152	2,744	–	–	–	2,744
Total Income		38,740	14,671	37	301	250	15,259
Expenditure on:							
Trading activities	4	2,582	2,464	–	–	–	2,464
Other costs of raising funds	5	4,251	4,003	–	–	–	4,003
		6,833	6,467	–	–	–	6,467
Charitable activities							
Grants to Regiments and Corps for the benefit of individuals	6	3,097	3,018	23	319	25	3,385
Grants to other charities	7	4,303	2,959	410	382	–	3,751
		7,400	5,977	433	701	25	7,136
Grant making and other support costs	8	1,761	1,976	10	26	–	2,012
		9,161	7,953	443	727	25	9,148
Total expenditure		15,994	14,420	443	727	25	15,615
Net income/(expenditure) before (losses)/gains on investments	13	22,746	251	(406)	(426)	225	(356)
Net (losses)/gains on investments		(2,162)	5,312	–	89	–	5,401
Net income/(expenditure) for the year		20,584	5,563	(406)	(337)	225	5,045
Transfer between funds	19,20	–	12,000	(12,000)	–	–	–
Net interest in the results for the year in associates	14	1	1	–	–	–	1
Net movement in funds		20,585	17,564	(12,406)	(337)	225	5,046
Fund balances at 1 April		97,906	65,673	20,246	6,941	–	92,860
Fund balances at 31 March		118,491	83,237	7,840	6,604	225	97,906

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2025

SOLICITORS

BDB Pitmans LLP
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EC1A 7BL

STATUTORY AUDITOR

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CCLA Investment Management Limited
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TRADING SUBSIDIARY COMPANY

Soldiers' Trading Limited
(Registered No. 07243995)
The trading subsidiary company registered office is at:
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Army Benevolent Fund

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Cobseo The Confederation of Service Charities

VS Veterans Scotland

Registered with FUNDRAISING REGULATOR

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For Soldiers. For Life.

Army Benevolent Fund

England & Wales - Charity number 1146420

Accounts

Army Benevolent Fund

2023/24 ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

For Soldiers. For Life.

Army Benevolent Fund

PATRON

In abeyance (September 2022-April 2024)

Her Majesty The Queen (from May 2024)

PRESIDENT

General Sir James Everard KCB CBE

TRUSTEES

CHAIRMAN

Simon Heale

VICE CHAIRMAN

Mary Fagan (Retired May 2024)

Sarah Booth (Appointed May 2024)

MEMBERS

Sarah Booth

Warrant Officer Class One
(Army Sergeant Major) Paul Carney

George Culmer (Appointed August 2024)

Rowena Fell

Major General Paul Griffiths CB
(Retired September 2023)

Caitlin Hayden (Appointed August 2024)

Major General (Ret'd) Chris Hughes CBE

Major General Sam Humphris MBE
(Appointed September 2023)

David London

Amanda Metcalfe

James Rous

Anthony Scott

Anna Sedgley (Appointed August 2024)

Julie White (Appointed August 2023)

SENIOR MANAGEMENT TEAM

Major General (Ret'd) Tim Hyams CB OBE,
Chief Executive

Brigadier (Ret'd) Peter Monteith MBE,
Chief Operating Officer and Company Secretary

Temidayo Ajakaiye, Director of Finance

Sean Bonnington, Director of Fundraising
(Retired August 2023)

Colonel (Ret'd) Kevin Haugh CBE,
Director of Grants & Welfare

Svetlana Kirov, Director of Fundraising
(Appointed November 2023)

Kath Mills,
Interim Director of Communications & Marketing
(Appointed May 2023)

Jenny Redman,
Director of Communications & Marketing
(Maternity leave from May 2023)

REGISTERED OFFICE

Mountbarrow House
6–20 Elizabeth Street
London
SW1W 9RB

Telephone: 020 7901 8900
E-mail: info@armybenevolentfund.org
Website: www.armybenevolentfund.org

Army Benevolent Fund is an incorporated charity registered with the Charity Commission for England and Wales with Charity No. 1146420, and in Scotland with the Office of the Scottish Charity Regulator with Scottish Charity Register No. SC039189.

Army Benevolent Fund is a company limited by guarantee in England and Wales (07974609) and was incorporated on 2nd March 2012.

Cobseo The Confederation of Service Charities

VS Veterans Scotland

Registered with FUNDRAISING REGULATOR

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WELCOME FROM THE CHAIRMAN

This Annual Report describes a charity that, 79 years after its inception, remains utterly committed to its core purpose of ensuring that soldiers, veterans, and their families can avoid hardship and live with independence and dignity.

The world may have changed almost beyond recognition since 1944, but the need for dependable, unfussy and practical support for our soldiers, veterans and families remains unchanged. As Chair of the Board of Trustees, while never complacent, I have complete confidence in our collective ability to deliver the Army Benevolent Fund's core objectives as spelt out in this report.

I am very aware that it is the duty of the Board to manage strategic change: we are working closely with the senior management team, the Army and our national networks to anticipate and respond to potential changes in our operating environment whilst still continuing to deliver the financial and moral support that our veterans, soldiers, and their families deserve and need.

Together with the rest of the charity, the Board is evolving. We are grateful to Major General Paul Griffiths, who has stepped down this year as a trustee, for his insights into the serving Army. A special mention must go to Mary Fagan, who steps down after serving for ten years as a trustee, including serving as Vice Chair for the past two years, during which time she provided essential continuity as I took on this role from Phil Jones. We will miss her wisdom, commitment and support.

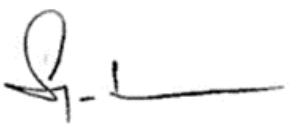
We have welcomed new members who bring rich skills and diversity to our team, enhancing our ability to meet the demands of change. And the teamwork between the senior management team and the Board remains excellent.

We are also honoured and delighted that Her Majesty The Queen has been confirmed as our Royal Patron; the third Royal Patron since the charity's establishment in 1944. The late Queen Elizabeth II succeeded her father, King George VI, as Patron of the Army Benevolent Fund, and supported the charity throughout her reign. We much look forward to the privilege of working with Her Majesty to ensure the charity continues to be there for soldiers, for life.

I could not be more proud that, over the past year, the Army Benevolent Fund has delivered support to more than 75,000 individuals in 51 countries. Our eldest beneficiary is 104, our youngest just one day old.

None of this could be possible without the dedication of my fellow trustees, the excellence of our terrific professional team, the indefatigable support of our army of volunteers across the nation, and the generosity of our donors. As Chairman, I offer every single one of you my heartfelt thanks for all that you do each and every day, so much of which lies between the lines of this report.

"I could not be more proud that, over the past year, the Army Benevolent Fund has delivered support to more than 75,000 individuals in 51 countries. Our eldest beneficiary is 104, our youngest just one day old."



Simon Heale
Chairman

WELCOME FROM THE CHIEF EXECUTIVE

The Army Benevolent Fund's purpose is enduring. It is to provide a lifetime of support to serving soldiers, former soldiers, and their immediate families (including the bereaved) when they are in need, such they are afforded the opportunity to avoid hardship and enjoy independence and dignity.

During the 2023-24 financial year, that saw us spending over £9m in benevolence, supporting more than 75,000 members of the Army family in 51 countries around the world. As our Chair notes, our youngest beneficiary was one day old; our oldest was 104 years old. We genuinely are here for all soldiers, for life. As the Army's national charity, we deliver our support to the Army family in three ways:

+ First, our individual grants programme. Supporting the regimental and corps charities to meet immediate need based on evidence drawn from casework is our enduring priority.
+ Second, our programme of direct grants to charities and organisations (86 in FY23-24) that support the Army family. It is the breadth and range of this programme that makes its impact so significant. And by resourcing and carrying out this work centrally on behalf of the Army and its regimental and corps charities, we achieve efficiency in terms of fundraising, administrative and governance costs; we carry the burden of the wider regulatory and governance requirements, which is a more efficient and effective approach; and we seek to use our grants programme to encourage collaboration and coherence across the military charity sector. We also ensure the outcomes are focused both on addressing immediate need and its underlying causation, thus attending to a longer-term outcome of reducing need over time.
+ Third, in the background, and again on behalf of the Army and its regimental and corps charities, we continue both to fund the delivery of Army-related casework, and to invest in the Casework Management System; this to ensure grants are reviewed and disbursed quickly and effectively. And, in a wider sense, we play a key role in the military welfare ecosystem through collaborating with, and providing support and advice to, other military charities and organisations such as Cobseo and Veterans Scotland.

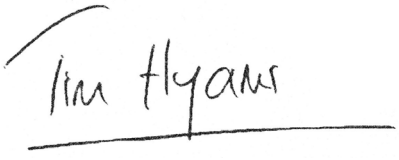
In all of this, we are clear there is a value in service, and that those who serve in the Army gain values and skills from their service such they in most cases contribute meaningfully to society, both whilst serving and as veterans. However, the reality is a number of the Army family sadly fall into need. When they do, we are here to give them the necessary support so they can overcome difficulties and move forward with their lives.

The data has evidenced an increase in individual need this year, both in number and in overall cost of cases. In parallel, requests for grants to other charities and organisations also are increasing, due not least to a marked reduction in the number of charities operating external grants programmes. We have responded by making grants in 51 countries (45 in FY22-23) and to 86 other charities and organisations (74 in FY22-23), with our overall charitable expenditure increasing by 2%. And we have plans in place to increase our grants programme again next year, in response to evidenced need.

Longer term, the trend is for the number of cases to reduce over time, but for the complexity, and thus cost, of each case to increase. At the same time, how need manifests itself will change over time in line with the evolving nature of the Army family: who joins it; how they serve; and how they live post service. We are positioning ourselves to respond effectively and efficiently to those changes.

To enable us to meet that need now and into the future, we continue to deliver on our rolling 4-Year Plan; a plan that aims to provide the funding and enabling support necessary for delivery of a sustainable and evidence-based grant giving programme.

On that basis, and with the continued and generous help of our supporters, we feel well-placed to provide a lifetime of support to our soldiers, veterans, and their immediate families.



Major General (Ret'd) Tim Hyams CB OBE
Chief Executive

Our vision

All serving soldiers, veterans, and their immediate families should have the opportunity to avoid hardship and live with independence and dignity.

Our mission

We are the Army's national charity, giving a lifetime of support to serving soldiers, former soldiers and their immediate families when they are in need.

Charitable objects

Since our formation in 1944, our charitable objects have been to benefit persons who are serving or who have served in the British Army, or their dependants, in any charitable way by the provision of grants, loans, gifts, pensions or otherwise. We work with veterans of every conflict, from the Second World War to the most recent operations, whether they live in the British Isles or overseas.

Public benefit

When reviewing the Army Benevolent Fund's aims and objectives, and when setting grant making policy and planning for the future, the trustees have carefully considered the Charity Commission's guidance on public benefit. The Army Benevolent Fund provides a public benefit in that it supports the Army community, contributing to the defence of the UK and its interests. Through its external grants programme, the Army Benevolent Fund also enables other charities to maximise their public benefit, in support of the Army family.

Equality, diversity & inclusion

We are committed to championing equality, diversity and inclusion on our Board, amongst our workforce, and in all our behaviours. As the Army's national charity, it is vital we remain relevant and reflective of our varied Army community and of society more broadly. We are particularly proud of our diverse workforce, both in the national office and across all 11 regional offices; and we are committed to creating a culture where everyone is celebrated, regardless of gender, sexual orientation, disability, ethnic background, nationality, religion or belief. We recognise there is still work to be done and are committed to continuous improvement to ensure we remain best placed to serve the Army community, both here in the UK and around the world.

01 Ron and his unit deployed to Normandy just after the D-Day landings as part of the follow-up forces tasked with rescue operations. He was honoured to receive the Chevalier de La Legion d'Honneur medal for the role he played in the liberation of France. Now, he lives happily, close to his family, at Care for Veterans - a care home that we fund.

02 Jack served for six years but was medically discharged when he was diagnosed with Type 1 diabetes. Estranged from his family and homeless, his future looked bleak. Two charities we fund supported Jack: Our Wilton helped with housing, and The Alabaré Veterans Self Build Scheme opened up employment opportunities. We also supported Jack with funding, and now he has his own flat and a job.

03 Running the London Marathon for the Army Benevolent Fund.

04 The Lord Mayor's Big Curry Lunch, April 2023.

CHARITABLE ACTIVITIES OVERVIEW

As the Army's national charity, the welfare of soldiers, veterans and their immediate families (including the bereaved) has always been at the heart of everything we do.

Our purpose has remained the same since 1944: to ensure that every soldier, past, present and future, and their immediate families, can avoid hardship and live with independence and dignity.

In the past year, we have supported around 75,000 members of the Army family in 51 countries across the globe. This has been achieved via our individual grants programme, through which we have supported over 3,800 individual cases, and by providing essential funding to 86 other charities and organisations to enable them to deliver specialist services to the Army family.

In addition to these two key grants programmes, we have also funded Army-related casework and the pan-sector digital platform that enables grants to be paid out quickly and securely; and collaborated with key stakeholders, including the government, other charities and the Army, to ensure we are as well placed as possible to support soldiers, veterans and their immediate families. By supporting us, you truly do support the whole Army family.

In the FY23-24, our charitable expenditure was over £9m. As one of the largest funders in the military charity sector, our aim is to ensure a complete spectrum of support to the Army family in the areas it is needed most. The overall scale, breadth and variety of our support is vast: helping Army families, including the bereaved; improving mental wellbeing; enabling independent living; caring for the elderly; training and education to increase employability; and securing the provision of suitable housing.

As ever, we pride ourselves on acting immediately when help is needed and providing true through-life support.

Matt lives in Hampshire with his wife, three children and dogs, Hudson and Buddy. He served in the Army for 17 years but had to leave because of complications arising from an ankle injury sustained in Afghanistan, which led to the deterioration and loss of a lower leg below the knee. Our charity funded a new electrical adjustable bed to improve his quality of life. He now works as a head mechanic for a local company and is keeping the same positive spirit and outlook that he demonstrated throughout his Army career.

OUR STATS

In FY23-24 we spent over **£9M** supporting **75,000** members of the Army family

The youngest person we supported was **ONE DAY OLD**, the eldest was **104**

We funded **86 OTHER CHARITIES AND ORGANISATIONS** that provide support for the Army family

SUPPORTING THE ARMY FAMILY

We are here to support the Army family through all of life's challenges, including bereavement, injury, getting back to work, elderly care, and much more besides.

Our support is truly for life, with individuals supported in FY23-24 aged from one day to 104 years old.

We are never judgemental, and we always adopt an integrated approach to the person or family in need of support. Sometimes, an individual in need may receive an initial grant from us, delivered through their regimental or corps charity; then be referred to a specialist charity that we have funded. They may then receive support from other partner charities – with assistance from us at every stage.

Throughout, we rigorously focus on their need and allocate our support accordingly across a wide range of charity partners. We give grants to support other charities both large and small, local and international, depending on our assessment of where the need is. Our grants programme is continually evolving – and all cases are based on merit, with rigorous due diligence checks on the effect of our expenditure.

Finally, and crucially, we act with speed. When we are alerted that a person or family needs help, we aim to make the relevant grant within 48 hours.

We are here for all members of the Army family when they need us. Our support is available for soldiers at the start of their careers and continues for life – long after service is over.

OUR THREE MECHANISMS FOR PROVIDING SUPPORT

1. We make grants to individuals, through their regimental and corps charities.

2. We make grants to other charities and organisations that deliver specialist support to soldiers, veterans, and their immediate families.

3. We play a key role in the military welfare ecosystem by: funding organisations that carry out Army-related casework (particularly SSAFA The Armed Forces Charity); investing in the Casework Management System (to ensure grants are reviewed and disbursed quickly); and collaborating with and providing advice and support to other military charities and organisations such as Cobseo and Veterans Scotland.

We have supported the British Army family in **51 COUNTRIES** all over the world

Around **12% OF OUR GRANTS** expenditure benefited the serving Army

We spend around **£68,000 A WEEK** on grants to individuals

Fundraising

We are thankful to our very generous donors who raised £10.7 million in FY23-24 (£8.9 million in FY22-23).

Across our income streams, there were specific shortfalls against major events and community fundraising, counterbalanced by over-performance in legacies. It is important to have a broad range of fundraising streams, which allow us to flex if the external environment requires us to do so.

As with previous years, we remain extremely grateful for the continued support of those organisations close to the Army family; including the Army Dependants' Trust, which donated £917k this year, and the regimental and corps charities, which contributed nearly £986k over the same period.

Corporate partnerships and philanthropy

We partner with a broad range of UK businesses, high net worth individuals, trusts and foundations, enabling our ongoing work to support soldiers, veterans, and their families.

We are extremely fortunate for the sustained support of our philanthropic donors: The Band Trust, The Hobson Charity, The Peacock Charitable Trust, Mike Gooley Trailfinders Charity, Royal Warrant Holders Association Charity Fund, National Garden Scheme, PF Charitable Trust, Royal Edinburgh Military Tattoo, Wimbledon Foundation, The Worshipful Company of Dyers, and our generous anonymous donors. We are also grateful for the significant support we have received this past year from Princess Anne's Charitable Trust, The Henry Lumley Charitable Trust, Moondance Foundation, Edward Gostling Foundation, and the Duke and Duchess of Wellington Charitable Trust. We also received support from corporate partners, including: BAE Systems, MBDA, Leonardo UK, RIFT Group, DSEI, the Sandringham Association of Royal Warrant Holders, Vitax, and Rolls-Royce, enabling our ongoing work to support soldiers, veterans, and their families.

Individual supporters and legacy giving

Every year, thousands of individuals help us by giving a monthly regular gift, one-off donation, take part in our raffle, or remember us in their Will. We remain extremely grateful to each and every one of them.

Community and events

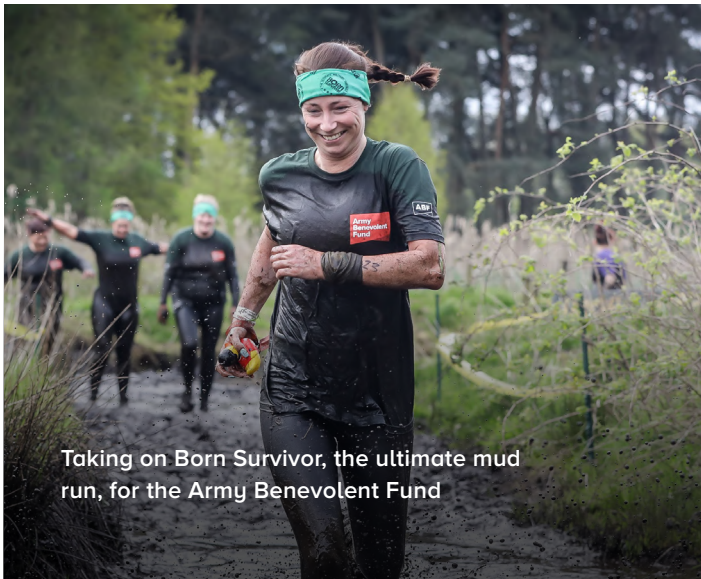
We work hard to build relationships and generate financial support via events such as the London Marathon, Cateran Yomp, The Lord Mayor's Big Curry Lunch, Frontline Walks, golf days and Christmas carol concerts, to name just a few.

Fundraising standards

We adhere to the highest fundraising standards. Our fundraising success is directly related to our reputation, and we go to great lengths to protect the public, including vulnerable people, by avoiding any practices that are not in line with the Army Benevolent Fund's values. We are committed to the Fundraising Regulator's Code of Fundraising Practice to ensure we meet the highest standards, so supporters and volunteers can give and fundraise with confidence and trust.

Our behaviour

We promise to always show respect and never pressure anyone to make a donation. We want the decision to give to always be an active choice on the part of the giver and we are particularly sensitive when dealing



Taking on Born Survivor, the ultimate mud run, for the Army Benevolent Fund

with vulnerable people. We have a comprehensive supporter-engagement policy, which incorporates all elements of fundraising and associated activities. We do not sell personal details to other charities or other third parties. We only share personal information with suppliers that we engage to process data on our behalf; such processing is only conducted under formal data processing agreements.

Information systems

We continue to modernise and raise the standard of our technical processes and infrastructure that support fundraising, making full use of our principal CRM, Raiser's Edge NXT. We have made significant strides towards using Business Intelligence and data analysis, better to understand our supporter base and thus communicate more effectively with them. We have also continued to ensure that our data holdings, and wider IT infrastructure, are secure and robust in terms of countering the cyber threat.

Safeguarding

The Army Benevolent Fund is proactively committed to safeguarding children, young people and vulnerable adults with whom staff, or any organisation acting on our behalf, come into contact with during fundraising, benevolence or outreach activities. We regularly review our safeguarding policy, including a full annual Board of Trustee review, to ensure it is fully up-to-date and fit for purpose. We take all reasonable care to protect our beneficiaries, supporters and staff, and comply with all relevant legal obligations and statutory guidance. Safeguarding is integral to our recruiting process and all new staff members are DBS checked. There is also a documented procedure for reporting serious incidents to the Charity Commission and relevant statutory bodies. In FY23-24 there were no such matters to report.

Accessibility

We make it easy for people to get in touch with us either by phone, letter or email. Whether someone wants to ask a question about our work or how we spend donations, or find out about an event we are organising, or update their communication preferences, we pride ourselves on being responsive and accessible. And, of course, we have a complaints process in place, should any supporter be unhappy or express concerns about our activity. The Charity received no complaints in FY23-24.

An Army team taking on the Cateran Yomp, which had nearly 1,000 participants this year

Relationships with agencies and commercial providers

We have a small in-house fundraising team and employ external agencies to add additional expertise or capacity; for example, event-management companies when we are organising large-scale events. This is more cost effective than trying to do everything ourselves. We always ensure signed contracts are in place and regularly monitor their performance in line with these agreements.

The professional face-to-face fundraising agencies we work with provide a great deal of value and expertise, and also allow us to engage with new audiences. We recognise the need to monitor their performance and compliance. We input into their training; and our quality assurance also includes regular reviews of complaints – of which we received none in FY23-24 – and other feedback.

FINANCIAL HIGHLIGHTS

OVERVIEW

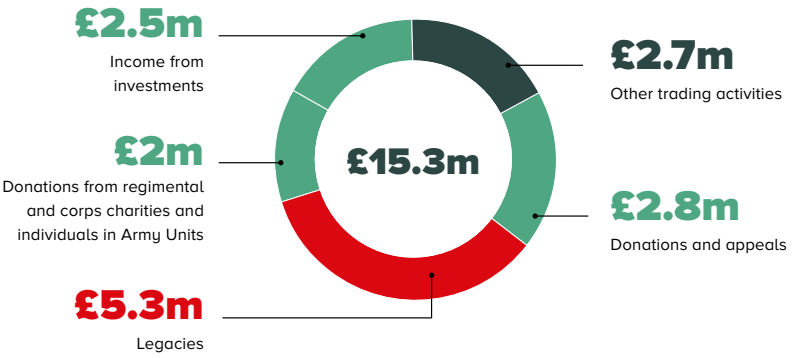
Total income was £15.3m (FY22-23: £12.8m); an increase of £2.5m from the previous financial year. This was due to higher legacy income at £5.2m (FY22-23: £2.3m) and we continue to be deeply grateful to the individuals who have remembered us in their Wills. Income received from donations was lower at £2.8m (FY22-23: £3.3m). Income from the Army, which comprises donations from individuals, regimental and corps charities and the Army Dependants' Trust, increased to £1.96m (FY22-23: £1.6m). Income from trading activities was lower at £2.7m (FY22-23: £3.4m), due to lower sign ups to events. The investment income was £2.5m (FY22-23: £2.2m), due to the increase in the yield from our deposits.

Of the £2.5m of investment income received, only £1.1m represented cash dividends and interest receivable, with the remaining £1.4m being represented by additional investment units, which further bolster the Charity's investment portfolio to provide rising income over time. This is set out in more detail in the following investment management section.

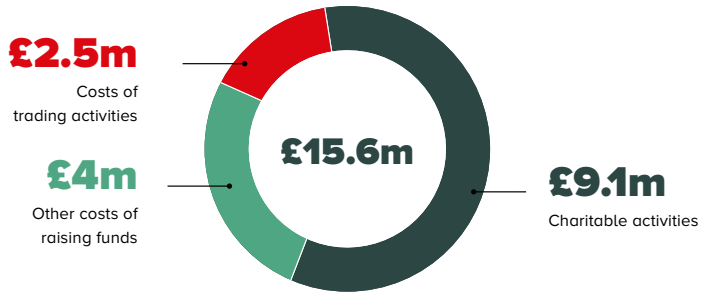
Total expenditure for the year increased to £15.6m (FY22-23: £14.7m). Our charitable expenditure delivering benevolence, including individual and charitable grants to those in need, increased by 2% to £9.1m (FY22-23 £9m). The number of individual cases increased by 1% to 3,800 (FY22-23: 3,763 cases). In the past year, we provided block grants to 86 (FY22-23: 74) delivery charities and organisations, supporting a plethora of areas and reaching out to the entire Army community. We are working with other charities to ensure greater coherence and efficiency in our collective delivery of benevolence. Costs of raising funds increased to £6.5m (FY22-23: £5.7m) as we continue to invest in donor recruitment.

Overall, the accounts for the year ended with a net expenditure of £356k (FY22-23: net expenditure of £1.8m).

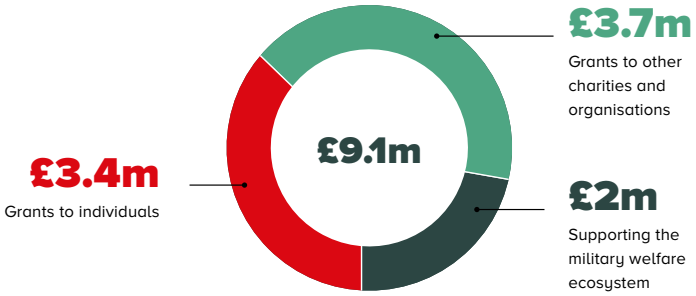
WHERE OUR FUNDING CAME FROM



HOW WE SPENT AND ALLOCATED MONEY



HOW WE SUPPORTED THE ARMY FAMILY



INVESTMENT MANAGEMENT

Our overall investment objective is focused on the capital growth of our investments in real terms, with an appropriate return from our income units. The performance objective of the fund is to provide capital growth and rising income over time. The Charity invests funds that are required over the medium to long term. At the year end, the Charity held investments with a market value of £78.3m and short-term cash deposits of £7.4m (FY22-23: £82.4m and £5.6m respectively).

Our investment performance and holdings are reviewed regularly by the Finance & Investment Committee against our investment objectives and its benchmarks. Our investments are held in line with our investment policy, which lays out guidelines for risk, as well as ensuring there are appropriate ethical policies in place. Each of our investments performed in line with, or better than, its benchmark, and therefore, overall, the trustees were satisfied with this performance.

RESERVES

Our reserve is based on three imperatives:

1. To manage, on behalf of the nation, a series of designated funds that support veterans who have served in particular conflicts, and their immediate family members.
2. To provide an operational reserve to underpin continued delivery of benevolence to the Army family in the immediacy of a 12 to 18-month period.
3. To provide a strategic reserve for the delivery of benevolence to the Army family in a more enduring sense, hedging against a significant change in operating conditions or benevolence need.

A proportion of our funds is ringfenced and administered on behalf of the nation to help veterans and families in need from conflicts such as Afghanistan and the Falklands Conflict. They will be disbursed over many years until the last eligible soldier or family member is no longer alive.

Our operational reserve ensures we can continue delivering benevolence to the Army family in the immediacy of a 12 to 18-month period, should we face a significant fall in income. The operational reserve has been established through the work to place a monetary value on risk, together with sensible provision for other probable contingencies and the Charity's working capital. The risk-based approach provides a rationale that leads to a justified level of operational reserves, based on the drivers of sufficient working capital to get through cyclical fluctuations; an estimate of the potential value of the foreseeable inherent and residual risks derived from the risk register; and an estimate of the amount required by the Charity to fulfil its 4-Year Plan.

We also hold a strategic reserve to ensure that we can deliver benevolence to the Army family in the long term, despite any changes that may occur in the operating environment (for example, future conflicts). Part of this picture includes meeting our responsibility for ensuring the regimental and corps charities can provide appropriate benevolence support, when called upon, in perpetuity. Essentially, we need to ensure that the whole Army family's needs can be met, for as long as there is an Army.

The Charity has in place a Reserves Policy, which aims to ensure that its ongoing activities are protected from fluctuations in income and expenditure. The Board of Trustees reviews this policy annually to ensure it continues to comply with Charity Commission guidance.

The total value of funds held at year end was £97.9m (FY22-23: £92.9m). There are restricted funds of £6.6m (FY22-23: £6.9m), unrestricted funds of £91.1m (FY22-23: £85.9m) and endowment funds of £0.2m (FY22-23: £Nil). The unrestricted funds include both general funds of £83.2m (FY22-23: £65.7m) and designated funds of £7.8m (FY22-23: £20.2m). Of the £83.2m general unrestricted funds, £21k represents tangible fixed assets that can only be realised by disposing the assets and £92k represents a provision for liabilities, leaving £83.1m free reserves (FY22-23: £65.5m), which is above the target of £53.5m (FY22-23: £60.2m). The level of free reserves allows the Charity to be resilient, to continue to focus on its charitable activities, and to adopt a necessarily agile approach in responding to the changing economic and wider strategic environment.

CONTINUED

RISKS AND UNCERTAINTIES

The Army Benevolent Fund has a proactive, thorough, and balanced approach to risk management. The Board of Trustees reviews major risks at each meeting and ensures that the senior management team has taken all reasonable measures to manage these risks and has the flexibility to seize opportunities as they appear.

Risks are graded by likelihood and severity, and include full descriptions of the actions and measures underway or required to attend to them. Key risks are also monetised, and a tailored and appropriate amount of the Charity's reserve is annotated as allocated if required. This process allows us to measure the correct amount of operational reserve to hold, as well as being a prudent and effective way of managing the risks.

As a result, the Charity has a clear view on the key risks to its operation in both the short and long terms and the means by which they will be mitigated. The risk of a reduced ability to raise sufficient funds in a global, national, and indeed personal environment of constrained discretionary spending is specifically mitigated by the roll out of the 4-Year Plan, which is described in greater detail in the next section. The risk of not being positioned to respond effectively to the changing nature of the Army, its veteran community, and their increasing integration into wider society is mitigated actively and constantly by the executive's proactive horizon scanning, in collaboration with both government (OVA, MOD), the Army, and sector (Cobseo and FiMT) stakeholders. The risk to our investments of significant fluctuations in global markets is mitigated by maintaining a balanced portfolio, consisting of an appropriate mix of income and accumulation units, across two major fund managers, under the regular and expert oversight of a trustee-led Finance and Investment Committee.

In the event of a major situation involving or otherwise affecting the Army Benevolent Fund, business continuity and disaster recovery plans are in place. Trustees also place considerable importance on achieving compliance with employment, health and safety and other relevant legislation.

The Army Benevolent Fund's solicitors review our principal policies on a regular basis, and all other policies are reviewed periodically by the senior management team on at least an annual basis. The key ones, such as Safeguarding and Anti-Fraud, are also annually reviewed by the Board of Trustees.

In the certain knowledge that we will need to continue to provide support to soldiers, veterans and their immediate families for many decades, we regularly update and review our financial plan, reserves and investment policies. Internal financial controls are reviewed by the Finance & Investment Committee on a regular basis.

We continue to conduct routine and regular end-to-end audit processes. This allows the Charity dynamically to confirm that its financial and technical control procedures remain effective and fit for purpose; or, if they are not, to improve them quickly. The trustees have declared themselves satisfied that major risks have been identified and adequately mitigated, wherever reasonably practicable. It is recognised that systems can only provide reasonable rather than absolute assurance that major risks have been adequately managed.

PLANS FOR FUTURE PERIODS

Over the last two years, we have reported on the range of overlapping issues impacting variably and in combination on this Charity and UK society more broadly. The legacies of the pandemic and Brexit, the global and national rises in commodity prices exacerbated by the conflict in Ukraine and, increasingly, the situation in the wider Middle East, and the impact in the UK specifically of stubbornly persistent inflation, and enduring public caution over non-essential personal spending, all contribute to a particularly challenging operating environment.

The impact of this combination of issues was felt across the charity in FY23-24 and will continue to be felt through FY24-25; despite the gradual easing of UK inflation rates, the resultant loosening of fiscal control and interest rates, and the attempts of a new UK government to change the narrative and economic dials, we expect to continue to be fundraising in a climate of public reluctance to spend on more than the essentials.

It remains difficult to predict future need and thus future charitable expenditure. However, our underlying assumption remains that it will continue to increase. Indeed, our experience of FY22-23 and FY23-24, and the indications for FY24-25, suggest an increasing level of need in the short term, both from individuals and from our partner charities. Some of this is attributable to the impact of the prevailing economic conditions, acting as an exacerbating factor to underlying causation; some is indicative of the reducing numbers of military charities continuing to provide significant block grants to delivery charities and organisations. More broadly, the trend for the number of individual cases to reduce over time, but for the cost of each case to increase, remains valid as a longer-term planning assumption.

OUR RESPONSE

Against this challenging context, the Army Benevolent Fund remains in a relatively strong position, continuing to reflect the manner in which we were set up in 1944: to act as the Army's strategic reserve, or second line of benevolence support, behind the first line activity of the regimental and corps charities. Conscious of this role, over the years we deliberately have configured our operations to protect that responsibility. We remain focused entirely on grant making and have no direct delivery responsibilities; we make no grant commitments beyond in-year; and we husband our free reserves for the long haul, whilst also being prepared to make strategic interventions where appropriate. Prudent measures to increase our liquidity provide adequate cash well into the next Financial Year, and our investments are held in very broad and diverse funds.

Operationally, our return to long-term planning, in the shape of the rolling 4-Year Plan, saw us take significant strides in FY22-23 (Year 0) towards setting the conditions for success; with the removal of the artificial divide between national and regional fundraising, the reset of the People Plan, and a rapidly developing redefinition of the regional contribution being notable achievements. FY23-24 (Year 1) saw continuing refinement, with particular emphasis on understanding the drivers behind, ROI from, and opportunities afforded by volunteer-led community fundraising activity and the wider programme of staff-led community fundraising events delivered across the country. It also saw us measure the impact of the levers being pulled in-year; specifically, the investment in face-to-face fundraising, a more coherent pan-charity approach to events, and a similarly coherent and increasingly programmatic approach to trusts, major donors, and corporates. In parallel, FY23-24 saw significant improvements in our inter-relationship with the Army, and the coherence, both internal and external, of our communications. It also saw the highly successful refreshment of our brand.

FY24-25 (Year 2) will be one of further iterative and evidence-led enhancement, particularly in terms of the longer lead time areas of direct marketing and legacy giving. We anticipate continued growth of face-to-face income; being able to reap the financial rewards of our more coherent approach to trusts, major donors, corporates, and events; and a continuation of our drive to minimise overhead costs. We will also, under the auspices of the Director of Fundraising, conduct a root and branch review of our fundraising streams, which will set the baseline for our fundraising approach in Year 3 (FY25-26). Furthermore, we will seek to leverage the extremely successful re-brand and our more assured relationship with Army Media & Comms, and harness more productively the associated, available, resource through a more strategic, campaign-led, approach to brand awareness and audience engagement.

Our longer-term intent will be to continue to refine and improve the 4-Year Plan's underpinning methodology and logic rather than to steer a different course. Conscious always that it is healthy for a charity to maintain a modest annual deficit to ensure we are spending our generously donated money on benevolence, we nevertheless continue to aim, by the conclusion of the 4-Year Plan, to be closer to breaking even than has historically been the case. In addition to the ongoing work to enhance the income streams referred to previously, the later years of the 4-Year Plan will see increasing emphasis on longer lead time streams, such as legacy giving. We will also continue and enhance our investment in face-to-face giving, seeking to increase regular donations. We also will provide an improved and nuanced corporate offering, particularly for those corporate entities with existing relationships with the Army.

We envisage continuous improvement in terms of both tactical and operational activity and outcomes, but intend to maintain strategic continuity over the mid-long term. The delivery of benevolence will remain the binding purpose behind the Charity's activities. The approach to benevolence will continue to be twin track: addressing immediate need; and seeking to attend proactively to the underlying causation. The latter will be achieved through the current holistic programme of grants to delivery organisations, and through identification of potential major projects; noting funding of the latter might, on occasion, be where trustees consider employment of an element of the Charity's reserves. In all of this, coordination with the Armed Forces Covenant Trust (AFCT) and the other single service benevolent funds will continue to be necessary such as to capitalise on the opportunity for greater efficiency and effectiveness in the delivery of outcomes for those in need. This coordination very much is set in context of our position at the heart of the Army's charitable ecosystem and in the wider service charitable sector, working coherently and effectively with the other key charities.

SUBSIDIARY AND ASSOCIATED COMPANY

Soldiers' Trading Limited is a wholly owned subsidiary of the Army Benevolent Fund. Its purpose is to raise money for the Charity through the online shop and commercial partnerships.

The Soldiers Fund, based in the United States, is an associate of the Army Benevolent Fund. It makes grants in support of soldiers and veterans from the US Army and British Army.

STRUCTURES, GOVERNANCE AND MANAGEMENT

REFERENCE AND ADMINISTRATIVE DETAILS

The Army Benevolent Fund is a Company limited by guarantee not having a share capital (Company No. 07974609), governed by the Articles of Association of the Army Benevolent Fund. The Army Benevolent Fund is registered with the Charity Commission (Charity No. 1146420). It is also registered with the Office of the Scottish Charity Regulator; the registration number is SC039189.

The Army Benevolent Fund is governed by the Board of Trustees, which is ultimately responsible for the organisation's strategic direction. The Board of Trustees is assisted by four trustee-led committees: the Governance Committee, which is responsible for governance policies and procedures; the Finance & Investment Committee, which is responsible for oversight of all aspects of the Army Benevolent Fund's financial policies and operations; the Grants Committee, which provides direction to and scrutiny of all grant-giving; and the Fundraising & Marketing Committee, which provides expert guidance on the Army Benevolent Fund's approach to fundraising and marketing.

Trustees are appointed for an initial period of three years, which can be extended for up to two further three-year periods. No trustee can serve for a consecutive period of more than nine years, except when approved by a majority of the other trustees by special resolution.

On appointment, each Trustee undergoes an induction programme tailored to their knowledge and experience. All trustees are offered briefings on charity governance, charity finance and their individual and collective legal responsibilities. A register of trustees' interests is held centrally and trustees are required to disclose all relevant interests, register them with the Secretary to the Board of Trustees, and in accordance with the Army Benevolent Fund's policy, withdraw from decisions where a conflict of interest arises. Trustees receive no remuneration or benefits in-kind, but are reimbursed for their expenses as noted in the accounts. Trustees receive and review regular reports from the committees and senior management team.

The Board of Trustees met four times in the FY23-24, including their annual, strategy-focused, full day meeting.

The Chief Executive and senior management team are responsible for the day-to-day management of the Army Benevolent Fund's affairs and for implementing the strategies and policies agreed by the Board of Trustees.

The Army Benevolent Fund provides support for the Army family through a range of other charities and organisations. The trustees are grateful to these bodies, and especially the unpaid caseworkers and other volunteers, without whom we would be unable to meet the needs of our beneficiaries.

The Charity is firmly aligned with the Charity Governance Code, closely adhering to the code's seven principles, applying the recommended practices and thus able continually to demonstrate good governance.

STAFF

Remuneration policy

Making effective decisions in relation to remuneration and reward is crucial to the continued success of the Army Benevolent Fund. We aim to pay competitively against our relevant comparators in the voluntary sector. We draw our benchmark data from 'Croner's Charity Rewards', which gives indicative median salaries for all roles and grades from a very wide selection of national charities. All positions in the Army Benevolent Fund are assessed and placed within an appropriate generic pay band. Like the Army we support, we believe in the principle that we are all of one company; thus, people doing similar jobs are paid at similar rates and in accordance with the relative complexity and responsibility of the appointment they hold. We do not pay bonuses or retention inducements.

We also aim to enhance the organisation's competitive positioning by promoting a total-reward approach, recognising that other aspects of the employment package (such as working patterns, benefits and development opportunities, as well as the intrinsic moral value of working for a charity) are also valuable to employees.

Remuneration review and annual pay award

The Board of Trustees approached the FY23-24 pay review from the point of view of maintaining two key principles. First, to retain, to the greatest extent possible, our all-of-one-company ethos; seeking to ensure pay parity within pay bands was retained, and no gap appeared between departments, or individual members of staff. Second, to seek to retain our position as broadly comparable with other similar charities. Both were set in the context of the economic situation, which was less severe than last year, but nonetheless continued to apply pressure to all members of staff. The Board also concluded that there was merit in awarding relatively higher settlements for those lower ranking pay bands that varied most from the Croner sector median. This resulted in an outcome that saw pay rises of between 1.5% and 5.77% depending upon which pay band an individual was in, with an average across the charity of a 3.71% increase.

In accordance with the Charities Statement of Recommended Practice (Charities SORP), the Army Benevolent Fund discloses: all payments to trustees (our trustees do not receive remuneration but are reimbursed for valid transport and subsistence expenses) and the number of staff in receipt of more than £60,000 in salary and other benefits (note 10).

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of the Army Benevolent Fund for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the trustees to prepare the financial statements for each financial year.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group, for that period.

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

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

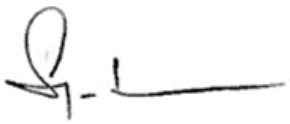
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant material audit information of which the charitable company's auditor is unaware; and
- Trustees have taken the necessary steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees and signed on its behalf on 25 September 2024.



Simon Heale
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE ARMY BENEVOLENT FUND

OPINION ON THE FINANCIAL STATEMENTS

We have audited the financial statements of the Army Benevolent Fund ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, the charity statement of financial activities, the consolidated and charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

+ give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the year then ended;
+ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
+ have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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.

CONCLUSIONS RELATED TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' 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 Group and the Parent Charitable Company'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 Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OTHER COMPANIES ACT 2006 REPORTING

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

+ the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant 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.

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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:

NON-COMPLIANCE WITH LAWS AND REGULATIONS

Based on:

- Our understanding of the Group and Parent Charitable Company and the sector in which it operates;
- Discussion with management and those charged with governance, including Audit & Risk Committee, legal counsel and internal audit; and
- Obtaining an understanding of the Group's and the Parent Charitable Company's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities SORP (FRS 102), Charities Act 2011, Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Health and Safety Act 1974, Data Protection Act 2018, Employment Rights Act 1996, and the Bribery Act 2010.

Our procedures in respect of the above included:

- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

CONTINUED

FRAUD

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

+ Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
+ Obtaining an understanding of the Group's and Parent Charitable Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
  - Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
  - Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
  - Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be to be journals and key estimates and judgements.

Our procedures in respect of the above included:

+ Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
+ Assessing significant estimates and judgements made by management for bias, including the recognition of legacy income and the allocation of costs;
+ Testing the existence and accuracy of income recognised in the year.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

OTHER MATTERS

The financial statements for the year ended 31 March 2023 were audited by the predecessor auditor, BDO LLP. The audit report was issued on 13 December 2023 and expressed an unqualified opinion on the financial statements.

USE OF OUR REPORT

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

UHY Hacker Young

Tracey Moore BFP ACA
(Senior Statutory Auditor)

For and on behalf of
UHY Hacker Young
Chartered Accountants Statutory Auditors
Thames House, Roman Square, Sittingbourne, Kent ME10 4BJ

25 September 2024

ARMY BENEVOLENT FUND

Consolidated statement of financial activities for the year to 31 March 2024

	NOTES	Unrestricted Funds General (note 18) £'000	Unrestricted Funds Designated (note 19) £'000	Restricted Funds (note 20) £'000	Endowment Funds (note 21) £'000	**Total 2024** £'000	Total 2023 (Restated) £'000
Income and endowments from:							
Donations and legacies							
The public							
Donations and Appeals Income		2,479	–	100	250	2,829	3,291
Legacies		5,231	–	10	-	5,241	2,346
		7,710	–	110	250	8,070	5,637
Army personnel							
From individuals in Army Units		55	–	–	–	55	25
Regimental and Corps Benevolent Funds		986	–	–	–	986	842
Army Dependants Trust		917	–	–	–	917	765
		1,958	–	–	–	1,958	1,632
Investments	3	2,259	37	191	–	2,487	2,150
Other trading activities		2,744	–	–	–	2,744	3,409
Total Income		14,671	37	301	250	15,259	12,828
Expenditure on:							
Trading activities	4	2,464	–	–	–	2,464	2,989
Other costs of raising funds	5	4,003	–	–	–	4,003	2,702
		6,467	–	–	–	6,467	5,691
Charitable activities							
Grants to Regiments and Corps for the benefit of individuals	6	3,018	23	319	25	3,385	3,167
Grants to other charities	7	2,959	410	382	–	3,751	3,498
		5,977	433	701	25	7,136	6,665
Grant making and other support costs	8	1,976	10	26	-	2,012	2,319
		7,953	443	727	25	9,148	8,984
Total expenditure		14,420	443	727	25	15,615	14,675
Net income/(expenditure) before net gains/(losses) on investments		251	(406)	(426)	225	(356)	(1,847)
Net gains/(losses) on investments	12	5,312	-	89	-	5,401	(5,422)
Net income/(expenditure) for the year		5,563	(406)	(337)	225	5,045	(7,269)
Transfer between funds	18,19	12,000	(12,000)	-	-	-	-
Net interest in the results for the year in associates	13	1	-	-	-	1	(2)
Net movement in funds		17,564	(12,406)	(337)	225	5,046	(7,271)
Fund balances at 1 April		65,673	20,246	6,941	-	92,860	100,131
Fund balances at 31 March		83,237	7,840	6,604	225	97,906	92,860

ARMY BENEVOLENT FUND

Charity statement of financial activities for the year to 31 March 2024

	NOTES	Unrestricted Funds General (note 18) £'000	Unrestricted Funds Designated (note 19) £'000	Restricted Funds (note 20) £'000	Endowment Funds (note 21) £'000	**Total 2024** £'000	Total 2023 (Restated) £'000
Income and endowments from:							
Donations and legacies							
The public							
Donations and Appeals Income		2,479	–	100	250	2,829	3,291
Legacies		5,231	–	10	-	5,241	2,346
		7,710	–	110	250	8,070	5,637
Army personnel							
From individuals in Army Units		55	–	–	–	55	25
Regimental and Corps Benevolent Funds		986	–	–	–	986	842
Army Dependants Trust		917	–	–	–	917	765
		1,958	–	–	–	1,958	1,632
Investments	3	2,259	37	191	–	2,487	2,150
Other trading activities		2,678	–	–	–	2,678	3,330
Total Income		14,605	37	301	250	15,193	12,749
Expenditure on:							
Trading activities	4	2,399	–	–	–	2,399	2,916
Other costs of raising funds	5	4,003	–	–	–	4,003	2,702
		6,402	–	–	–	6,402	5,618
Charitable activities							
Grants to Regiments and Corps for the benefit of individuals	6	3,018	23	319	25	3,385	3,167
Grants to other charities	7	2,959	410	382	–	3,751	3,498
		5,977	433	701	25	7,136	6,665
Grant making and other support costs	8	1,970	10	26	-	2,006	2,311
		7,947	443	727	25	9,142	8,976
Total expenditure		14,349	443	727	25	15,544	14,594
Net income/(expenditure) before net gains/(losses) on investments		256	(406)	(426)	225	(351)	(1,845)
Net gains/(losses) on investments	12	5,312	-	89	-	5,401	(5,422)
Net income/(expenditure) for the year		5,568	(406)	(337)	225	5,050	(7,267)
Transfer between funds	18,19	12,000	(12,000)	-	-	-	-
Net interest in the results for the year in associates	13	1	-	-	-	1	(2)
Net movement in funds		17,569	(12,406)	(337)	225	5,051	(7,269)
Fund balances at 1 April		65,649	20,246	6,941	-	92,836	100,105
Fund balances at 31 March		83,218	7,840	6,604	225	97,887	92,836

ARMY BENEVOLENT FUND

Consolidated summary income and expenditure account for the year to 31 March 2024

	All income funds 2024	All income funds 2023 (Restated)
	£'000	**£'000**
Income	14,944	12,747
Gains/(losses) on investments	5,401	(5,422)
Gross income in the reporting period	20,345	7,325
Expenditure	15,519	14,594
Total expenditure in the reporting period	15,519	14,594
Net income/(expenditure) before tax for the reporting period	4,826	(7,269)
Tax payable	-	-
Net income/(expenditure) for the financial year	4,826	(7,269)

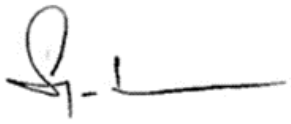
The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All activities relate to continuing operations.

ARMY BENEVOLENT FUND

Group and charity balance sheets as at 31 March 2024

		GROUP		CHARITY	
		2024	2023 (Restated)	**2024**	2023 (Restated)
	NOTES	**£'000**	**£'000**	**£'000**	**£'000**
Fixed assets					
Tangible assets	11	21	53	21	53
Investments	12	78,330	82,421	78,330	82,421
Associate undertaking	13	11	10	11	10
		78,362	82,484	78,362	82,484
Current assets					
Stocks		8	7	-	-
Other debtors	14	6,536	3,315	6,522	3,315
Cash at bank and in hand		14,687	8,265	14,682	8,232
		21,231	11,587	21,204	11,547
Liabilities					
Creditors: amounts falling due within one year	15	(1,595)	(1,101)	(1,587)	(1,085)
Net current assets		19,636	10,486	19,617	10,462
Total assets less current liabilities		97,998	92,970	97,979	92,946
Provisions for liabilities	16	(92)	(110)	(92)	(110)
Net assets	17	97,906	92,860	97,887	92,836
Represented by:					
Income funds					
Endowment funds	21	225	-	225	-
Restricted funds	20	6,604	6,941	6,604	6,941
Unrestricted funds					
Designated funds	19	7,840	20,246	7,840	20,246
General funds	18	83,237	65,673	83,218	65,649
Total funds		97,906	92,860	97,887	92,836

Approved by the Board of Trustees and signed on their behalf



Simon Heale
Chair

Anthony Scott Chartered FSCI
Honorary Treasurer

25th September 2024
Registered in England and Wales, company number 07974609

ARMY BENEVOLENT FUND

Consolidated statement of cash flows for the year to 31 March 2024

	2024	2023
	£'000	£'000
Cash flows from operating activities:		
Net cash (used in) operating activities	(5,557)	(2,262)
Cash flows from investing activities:		
Dividends, interest and rents from investments	1,077	724
Purchase of equipment	-	(8)
Proceeds from the sale of investments	11,000	1,000
Purchase of investments	(98)	(97)
Net cash provided by investing activities	11,979	1,619
Change in cash in the reporting period	6,422	(643)
Cash at the beginning of the reporting period	8,265	8,908
Cash at the end of the reporting period	14,687	8,265

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2024	2023
	£'000	£'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	5,045	(7,269)
Adjustments for:		
Depreciation charges	32	44
(Gains)/losses on Investments	(5,401)	5,422
(increase) in stocks	(1)	(2)
(Increase)/decrease in debtors	(3,221)	1,825
Increase/(decrease) in creditors	476	(132)
Dividends, interest and rents from investments	(2,487)	(2,150)
Net cash used in operating activities	(5,557)	(2,262)

ARMY BENEVOLENT FUND

Consolidated statement of cash flows for the year to 31 March 2024

	2024	2023
	£'000	£'000
Analysis of cash		
Cash in hand	7,276	2,662
Notice deposits (less than three months)	7,411	5,603
Total cash	14,687	8,265

	At 1st April 2023	Cashflows	At 31 March 2024
	£'000	£'000	£'000
Analysis of changes in net debt			
Cash in hand	2,662	4,614	7,276
Notice deposits (less than three months)	5,603	1,808	7,411
Total cash	8,265	6,422	14,687

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements have been prepared on a going concern basis under the historical cost convention, unless otherwise stated in the relevant accounting policy note, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)) including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £1,000.

Army Benevolent Fund ('the Charity') has taken advantage of the exemption to prepare a charity-only Statement of Cash Flows on the basis that it is a qualifying entity. The consolidated Statement of Cash Flows, within the financial statements, includes the Charity's cash flows.

The Charity constitutes a public benefit entity as defined by FRS 102.

CONSOLIDATION

The financial statements consolidate Army Benevolent Fund and its trading subsidiary company, Soldiers' Trading Limited on a line-by-line basis.

INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and income from fundraising events are recorded in the financial statements when receivable. Income received from events is recognised in the period in which the event takes place. Income from legacies is taken into the Statement of Financial Activities when received or when receipt is probable, and the value can be measured with sufficient reliability. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. Investment income is recognised when receivable.

Grants are included as income when these are receivable.

COSTS OF RAISING FUNDS

Costs of raising funds comprise those incurred in seeking voluntary income and costs incurred in generating income from trading activities. Fundraising costs include advertising, producing publications, printing, and mailing fundraising material, associated staff costs and an appropriate allocation of support costs.

CHARITABLE EXPENDITURE

Grants payable in furtherance of the Charity's objects are recognised as expenditure in the year in which the grant is formally approved by the Charity and has been communicated to the recipient, except to the extent that it is subject to conditions that enable the Charity to revoke the award. Any refunds of grants are credited to the line in which they were originally allocated in the financial statements.

GRANT MAKING AND OTHER SUPPORT COSTS

Grant making costs are those costs incurred in support of the Charity's primary objective of paying grants to those in need. Other support to charities reflects the support given to other charities in terms of management and staff time; other associated infrastructure costs and in certain circumstances subsidies for accommodation costs for office space occupied at Mountbarrow House. Governance costs represent those costs associated with the governance arrangements of the Charity which relate to the general running of the Charity. Such costs include external audit fees, legal costs, related trustee costs and costs associated with compliance with statutory requirements.

INVESTMENTS IN ASSOCIATES

Investments in associates are measured in accordance with Section 14 of FRS 102 including Update Bulletin 1, 'Investments in Associates'. As such, investments in associates are initially recognised at the transaction price and are subsequently adjusted to reflect the Charity's share of the surplus, other comprehensive income, and equity of the associate.

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. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. The investment portfolio does not acquire put options, derivatives, or other complex financial instruments. The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

1. ACCOUNTING POLICIES (CONTINUED)

to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities. Dividends from accumulating units are recognised as investment income and reinvested for capital growth.

Rental income is recognised in the period to which it relates.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing more than £1,000 are capitalised and included at cost, including any incidental expenses relating to the acquisition. Depreciation is provided for all tangible fixed assets so as to write off their cost in equal instalments over their expected useful lives as follows:

Computer equipment	3 years
Operating software	8 years
Office furniture and fittings	3-5 years
Leasehold improvements	Over the term of the lease

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

GOING CONCERN

The trustees have assessed whether there are material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees have made this assessment in respect of a period of at least one year from the date of the approval of the financial statements.

The trustees receive forecasts and financial projections that detail variations in the level and timing of future income and funding and have considered the short- and longer-term financial projections and other risks that may affect the Charity. They have considered the key risks that could negatively impact the going concern of Army Benevolent Fund and have considered budgets and forecasts, cashflow projections, reserves levels and contingency and recovery plans. These continue to be regularly monitored by the trustees and senior management team.

The trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The trustees believe that, whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Charity's ability to continue as a going concern. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

LOANS TO BENEFICIARIES

Loans to beneficiaries are concessionary loans provided for the benefit of the Charity's beneficiaries. Such loans are initially recognised and measured at the amount paid, with the carrying amount adjusted at each Balance Sheet date to reflect repayments and any accrued interest, less any impairment.

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.

CASH AT BANK AND IN HAND

Cash at bank and 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.

STOCK

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

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 a transfer of funds to a third party and the amount due to settle the obligation can be measured reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

OPERATING LEASES

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the period of the lease.

PENSION COSTS

Eligible employees are automatically enrolled into a Group Personal Pension scheme which is operated on a contributory basis. The assets of the Group Personal Pension Scheme are held separately from those of the Charity and contributions payable by the Charity are charged in the Statement of Financial Activities in the year in which they are payable

FOREIGN CURRENCY

Transactions denominated in foreign currencies are recorded at the exchange rates ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are converted to Sterling at the rates of exchange ruling at the balance sheet date. The financial statements of overseas operations are translated to Sterling at the

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

1. ACCOUNTING POLICIES (CONTINUED)

approximate rates of exchange ruling at the balance sheet date. All differences are recorded in the Statement of Financial Activities.

VOLUNTEERS

The Charity benefits greatly from the involvement and enthusiastic support of its volunteers. These include our president, trustees, and regional fundraising groups. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not included in the financial statements.

ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgements and estimates are continually evaluated and are based on historical experience as well as other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The matters considered below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cash flows.

A. COST ALLOCATION

Support costs not attributable to a single charitable activity are allocated or apportioned on a basis consistent with identified cost drivers for that cost category. Cost drivers utilised include head count, staff time allocation, and effort and judgement is exercised in applying cost drivers to cost categories.

B. LEGACY INCOME ACCRUAL

Legacy income is recognised in accordance with the income recognition policy. In calculating the level of legacy accrual, management is required to exercise estimation and judgement, particularly in determining the amount and probability of receipt.

C. DILAPIDATIONS PROVISION

As disclosed in note 16 to these financial statements, the Charity has signed a new eight-year lease on its premises at Mountbarrow House on 28 June 2024. This new lease sets out that no dilapidations will be payable by the Charity in the future. As this lease was signed post year end it is considered to be a non-adjusting post balance sheet event and consequently, the dilapidations provision in respect of the property remains in these financial statements based on the conditions of the lease that were in place at 31 March 2024.

2. SUBSIDIARY COMPANY'S RESULTS

SOLDIERS' TRADING LIMITED

Included in Donations and appeals income in Income, is general purpose trading income arising in Soldiers' Trading Limited. The results were as follows:

	2024	2023
	£'000	£'000
Turnover	82	105
Cost of Sales	(59)	(74)
Gross Profit	23	31
Administrative expenses	(12)	(16)
Profit on ordinary activities	11	15
Tax on profit	-	-
Profit after tax and for the financial year	11	15
Opening retained earnings	24	35
Payment to parent charity under Gift Aid	(16)	(26)
Closing retained earnings	19	24

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

3. INVESTMENT INCOME – GROUP AND CHARITY

	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	Total 2024	Total 2023 (Restated)
	£'000	£'000	£'000	£'000	£'000
Dividends and Distributions	1,410	-	191	1,601	1,610
Bank interest	405	37	-	442	192
	1,815	37	191	2,043	1,802
Rental Income	444	-	-	444	348
Total	2,259	37	191	2,487	2,150

4. TRADING ACTIVITIES

	GROUP		CHARITY	
	2024	2023 (Restated)	2024	2023 (Restated)
	£'000	£'000	£'000	£'000
Fundraising Trading costs	1,479	2,116	1,414	2,043
Central and administrative costs	985	873	985	873
Total	2,464	2,989	2,399	2,916

5. OTHER COSTS OF RAISING FUNDS – GROUP AND CHARITY

	2024	2023 (Restated)
	£'000	£'000
Other Costs of raising funds	2,583	1,884
Advertisements and promotion	632	534
Central and administrative costs	788	284
Total	4,003	2,702

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

6. GRANTS FOR THE BENEFIT OF INDIVIDUALS

All grants made for the benefit of soldiers, former soldiers and their immediate families are paid through their parent regimental or corps charities. The total value of these grants made during the year was £3,385k (2023: £3,167k).

7. GRANTS TO OTHER CHARITIES AND ORGANISATIONS

The Charity, on behalf of the partnership of Army charitable funds, makes grants to national charities and occasionally, other organisations which support soldiers, former soldiers, and their immediate families.

By the nature of Service charities and other charities supporting serving and former soldiers, many of Army Benevolent Fund's trustees and senior management work closely with, or serve as trustees for, some of the charities listed below that receive grants from us. Where this applies, the trustee or member of the management team will not take part in the grant making decision process.

The total values of the grants made during the year for the Group and Charity were:

GRANTS FROM GENERAL FUNDS:	2024	2023
	£'000	£'000
ELDERLY		
Age In Spain	15	20
Broughton House	120	104
Care for Veterans (Queen Alexandra Hospital Home)	110	124
Erskine Hospital	150	150
Royal Commonwealth Ex-Services League	195	200
Royal Hospital Chelsea	50	100
Royal Star & Garter Home	70	100
	710	798

	2024	2023
	£'000	£'000
EMPLOYMENT AND TRAINING		
Buildforce	2	-
Climb 2 Recovery	15	-
Heritage Craft Association	14	14
Mission Motorsport	27	27
On Course Foundation	5	1
PATT Foundation	10	-
Prisoners Education Trust	20	20
Recruit for Spouses	14	-
Regular Forces Employment Association (RFEA)	100	110
Sporting Force	-	10
The Open University	10	20
The Poppy Factory	30	10
Turn to Starboard (T2S)	24	30
Veterans into Logistics	-	15
X-Forces	20	24
	291	281

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

7. GRANTS TO OTHER CHARITIES AND ORGANISATIONS (CONTINUED)

GRANTS FROM GENERAL FUNDS (CONTINUED):	2024 £'000	2023 £'000
FAMILY		
Army Families Federation	45	58
Army Welfare Service	200	200
Army Widows' Association	35	27
COBSEO, The Confederation of Service Charities	28	28
Families Activity Breaks	30	-
Forces Children Scotland (formerly known as RCET)	-	26
Give Us Time	10	10
Hong Kong LEP Trust	12	9
Lord Kitchener Memorial Holiday Centre	10	10
Make Some Noise	10	15
National Gulf Veterans & Families Association	20	20
NSPCC	-	10
Queen Elizabeth Hospital Birmingham - Fisher House	10	10
Reading Force	20	20
Re-Vitalise	-	35
Ruskin Mill Land Trust	4	9
Scotty's Little Soldiers	30	20
SSAFA Central Office	135	135
SSAFA CMS Costs	102	73
St Nicholas CofE Primary School PTA	5	-
Veterans Scotland	15	15
YMCA Brunel Group (Little Ducklings)	5	-
	726	730

	2024 £'000	2023 £'000
HOUSING		
Alabaré Christian Care & Support	20	20
Armed Forces & Veterans Launchpad	25	41
Changing Lives (Thirteen Care and Support (Norcare))	-	27
Haig Homes	150	-
Lord Leycester Hospital	18	-
Our Enterprise (Our Wilton)	-	30
Royal British Legion Industries	68	108
Scottish Veterans Residences	-	14
Sir Oswald Stoll Foundation (Stoll)	-	47
The Royal Homes Wimbledon (SSAFA)	28	-
	309	287

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

7. GRANTS TO OTHER CHARITIES AND ORGANISATIONS (CONTINUED)

GRANTS FROM GENERAL FUNDS (CONTINUED):	2024 £'000	2023 £'000
WELLBEING		
Abberton Rural Training	15	-
Anxious Minds	-	20
Armed Forces Equine Charity (formerly Tedworth Equestrian)	-	24
British Ex-Services Wheelchair Sports Assoc (BEWSA)	-	7
Brooke House Health and Wellbeing centre	14	-
Care after Combat	-	15
Catzero	-	10
Change Mental Health Ltd	3	-
Combat Stress	143	120
Community Drug and Alcohol Recovery Services (CDARS)	-	5
Dads Unlimited	15	-
Dig In North West	9	-
Defence Medical Welfare Service	150	150
Dundee Therapy Garden	16	-
East Durham Veterans Trust	10	-
Fares4Free	30	-
Fighting With Pride (FWP)	35	-
Firstlight Trust	20	10
Glen Art/Bravehound	10	-
Home Farm Trust	-	15
Hospice UK	10	-
Highground	10	15
HorseBack UK	20	-
Hounds for Heroes	10	-
Icarus	-	20
Improving Lives Plymouth	10	-
Jersey Joint Services Veterans Assoc (JJSVA)	12	8
K2CO Ltd (Rosie Kay Dance Company)	-	15
Lothian Veterans Centre	10	-
Military Wives Choirs Foundation	10	20
Orchestra of the Swan	-	10
Phyllis Tuckwell Hospice	5	5
Poppy Scotland	-	37
Queen's Regimental Association	30	-
Root Cause Project (CIC)	2	-
Service Dogs UK	20	-
Smart Savings CIC	10	-
South Kent Mind	4	-
Spinal Injuries Association	30	25

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

7. GRANTS TO OTHER CHARITIES AND ORGANISATIONS (CONTINUED)

GRANTS FROM GENERAL FUNDS (CONTINUED):	2024	2023
	£'000	£'000
WELLBEING (CONTINUED)		
Step Together Volunteering	30	-
Style for Soldiers	10	20
Taxi Charity for Military Veterans	8	18
The Bridge for Heroes	20	10
The Gwennili Trust	10	8
The Not Forgotten Association	50	-
The Warrior Programme	30	30
Together Co	8	10
Veterans at Ease	-	5
Veterans' Growth	10	10
Veterans Outdoors	10	10
Vine Drop-In Centre	5	5
Walking with The Wounded	10	-
Waterloo Uncovered	12	10
We Are With You (formerly Addaction)	47	25
	923	692

	2024	2023
	£'000	£'000
Total Grants from General Funds	2,959	2,788

GRANTS FROM DESIGNATED FUNDS:	2024	2023
	£'000	£'000
EMPLOYMENT EDUCATION AND TRAINING		
Buildforce	7	-
On Course Foundation	-	3
Forces Employment Charity (formerly Regular Forces Employment Association)	45	50
The Poppy Factory	30	30
	82	83

	2024	2023
	£'000	£'000
FAMILY		
National Gulf Veterans & Families Association	10	5
SSAFA Central Office	65	65
	75	70

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

7. GRANTS TO OTHER CHARITIES AND ORGANISATIONS (CONTINUED)

GRANTS FROM DESIGNATED FUNDS:	2024 £'000	2023 £'000
HOUSING		
Alabare Christian Care & Support	-	5
Armed Forces & Veterans Launchpad	5	5
Haig Homes	25	-
Lord Leycester Hospital	2	-
Scottish Veterans Residences (SVR)	-	5
Sir Oswald Stoll Foundation (Stoll)	10	-
	42	15

	2024 £'000	2023 £'000
ELDERLY		
Care for Veterans	-	10

	2024 £'000	2023 £'000
WELLBEING		
British Ex-Services Wheelchair Sports Assoc (BEWSA)	-	5
Change Mental Health Ltd	1	-
Combat Stress	100	100
Dig In North West	2	-
Defence Medical Welfare Service (including LIBOR)	40	40
Firstlight Trust	-	5
Glen Art / Bravehound	5	-
Highground	5	3
Lothian Veterans Centre	4	-
Poppy Scotland	-	20
Spinal Injuries Association (SIA)	-	5
Style for Soldiers	10	-
Taxi Charity for Military Veterans	2	-
The Bridge for Heroes	5	5
The Not Forgotten Association	10	-
The Warrior Programme	10	10
Veterans' Growth	5	-
Walking With The Wounded	10	-
Waterloo Uncovered	2	-
We Are With You (formerly Addaction)	-	15
	211	208
Total Grants from Designated Funds	410	386

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

7. GRANTS TO OTHER CHARITIES AND ORGANISATIONS (CONTINUED)

GRANTS FROM RESTRICTED FUNDS:	2024 £'000	2023 £'000
EMPLOYMENT EDUCATION AND TRAINING		
Buildforce	4	-
On Course Foundation	-	1
Forces Employment Charity (formerly Regular Forces Employment Association)	125	110
The Poppy Factory	40	48
X-Forces	16	15
	185	174
FAMILY		
National Gulf Veterans and Families Association	10	15
SSAFA Central Office	30	30
	40	45
WELLBEING		
Change Mental Health Ltd	2	-
Combat Stress	32	30
Defence Medical Welfare Service	10	10
Dig In North West	4	-
Dundee Therapy Garden	4	-
Firstlight Trust	-	5
Highground	5	3
Lothian Veterans Centre	4	-
PoppyScotland	-	7
Taxi Charity for Military Veterans	5	-
The Bridge for Heroes	5	5
The Not Forgotten Association	20	-
Veterans' Growth	5	-
Walking With The Wounded	5	-
The Warrior Programme	10	10
Waterloo Uncovered	6	-
We Are With You (formerly Addaction)	-	8
	117	78
HOUSING		
Alabare Christian Care & Support	-	5
Armed Forces & Veterans Launchpad	5	-
Haig Homes	25	-
Scottish Veterans Residences (SVR)	-	7
Sir Oswald Stoll Foundation (Stoll)	10	-
	40	12

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

7. GRANTS TO OTHER CHARITIES AND ORGANISATIONS (CONTINUED)

GRANTS FROM RESTRICTED FUNDS (CONTINUED):	2024	2023
	£'000	£'000
ELDERLY		
Broughton House	-	15
	-	15
Total Grants from Restricted Funds	382	324

	2024	2023
	£'000	£'000
Grants from General Funds	2,959	2,788
Grants from Designated Funds	410	386
Grants from Restricted Funds	382	324
	3,751	3,498

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

8. GRANT MAKING AND OTHER SUPPORT COSTS

	GROUP		CHARITY	
	2024	2023 (Restated)	**2024**	2023 (Restated)
	£'000	**£'000**	**£'000**	**£'000**
Support costs				
Central and administrative	417	1,213	411	1,205
Support costs	993	554	993	554
Other costs	63	66	63	66
Advertisement and promotion	340	288	340	288
Governance costs				
Central and administrative	168	144	174	152
Auditor's remuneration (note 8b)	27	51	21	43
Trustee expenses	4	3	4	3
	2,012	2,319	2,006	2,311

8b INCOME / EXPENDITURE FOR THE YEAR

This is stated after charging:

	GROUP		CHARITY	
	2024	2023 (Restated)	**2024**	2023 (Restated)
	£'000	**£'000**	**£'000**	**£'000**
Auditor's remuneration - audit services	26	45	20	39
Auditor's remuneration - taxation advisory services	1	6	1	4
Depreciation of tangible fixed assets	32	44	32	44
Payments under operating leases:				
- land and buildings	693	694	693	694
- other assets	87	80	87	80
	839	869	833	861

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

9. STAFF COSTS - GROUP AND CHARITY

TOTAL STAFF COSTS COMPRISED:	2024	2023
	£'000	£'000
Wages and salaries	3,569	3,223
Social security costs	350	325
Pensions contributions	180	185
	4,099	3,733

The Charity employed an average staff of 83 (10 part-time) (2023: 78 including 10 part-time) of whom 53 (2023: 48) were employed at the Charity's head office. A small number of these individuals were on short-term contracts to cover vacant posts and also from time to time we engage a limited number of contract and agency staff. There is £2k included in staff costs related to settlement (2023: £60k).

The number of employees whose employee benefits exceeded £60,000 was:

	2024	2023 (Restated)
	NO.	NO.
£60,001 - £70,000	6	2
£70,001 - £80,000	1	1
£80,001 - £90,000	-	3
£90,001 - £100,000	3	1
£120,001 - £130,000	-	1
£140,001 - £150,000	1	-

Pension contributions of £45k (2023: £34k) were made on behalf of eligible higher paid employees.

The key management personnel for the Charity comprise the trustees and the executive board (senior management board). The trustees received no remuneration or benefits-in-kind during the year (2023: £nil). They were reimbursed expenses during the year as stated in note 10.

The total remuneration, including employer's pension contributions and employer's National Insurance contributions paid to the executive board, amounted to £699k (2023: £693k).

10. RELATED PARTY TRANSACTIONS

No trustees have been remunerated for their role as a trustee. Seven trustees were reimbursed £4k for travel expenses which had been directly incurred during the year under review (2023: £3k to seven trustees).

During the year ending 31 March 2024, the Charity charged its subsidiary £5k for management fees relating to Soldiers' Trading Limited's activities (2023: £5k). Soldiers Trading Limited donated £16k to Army Benevolent Fund from its profits (2023: £26k). At 31 March 2024, there was a balance of £16k (2023: £3k) owed to Army Benevolent Fund by Soldiers' Trading Limited.

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

11. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Leasehold Improvements		Office furniture, fittings & equipment			
	2024	2023	**2024**	2023	**Total 2024**	Total 2023
COST	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 April	134	134	324	316	458	450
Additions during the year	-	-	-	8	-	8
Disposals during the year	-	-	(39)	-	(39)	-
At 31 March	134	134	285	324	419	458
Depreciation						
At 1 April	116	89	289	272	405	361
Charge for the year	17	27	15	17	32	44
Disposals for the year	-	-	(39)	-	(39)	-
At 31 March	133	116	265	289	398	405
Net book value at 31 March	1	18	20	35	21	53

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

12. INVESTMENTS – GROUP AND CHARITY

	Unrestricted Funds		Restricted	
	General	Designated	Funds	Total
	£'000	£'000	£'000	£'000
Market value 1 April 2023	77,584	-	4,837	82,421
Purchase of investments	1,508	-	-	1,508
Sale of investments	(11,000)	-	-	(11,000)
Net gains on investments	5,312	-	89	5,401
Market value 31 March 2024	73,404	-	4,926	78,330
Cost				
At 31 March 2024	53,628	-	2,269	55,897
At 31 March 2023	61,025	-	2,269	63,294

All of the investments listed above are held by the Charity, including 100% of the issued share capital of Soldiers' Trading Limited. Both the cost and valuation of this shareholding is £1.

The investment portfolio comprises the following at market value:

	Unrestricted Funds		Restricted	
	General	Designated	Funds	Total
	£'000	£'000	£'000	£'000
BLACKROCK – ARMED FORCES CHARITIES GROWTH AND INCOME FUND				
Income units	-	-	4,926	4,926
Accumulation units	30,785	-	-	30,785
CCLA – COIF				
Accumulation units	42,619	-	-	42,619
Market value 31 March 2024	73,404	-	4,926	78,330

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

13. ASSOCIATES

The Soldiers' Fund (TSF) was incorporated as a tax-exempt charity in the United States in 2012, its primary purpose being to raise funds for British Army personnel, past and present, and their families in times of need. As the Army Benevolent Fund can appoint three of the eleven directors of TSF, it is treated as an associate undertaking for the purposes of the consolidated financial statements. The Charity's share of TSF's surplus as at 31 March 2024 was £1k (2023: deficit, £2k). The Charity's share of TSF's net assets was £11k (2023: £10k).

14. OTHER DEBTORS AND PREPAYMENTS

	GROUP		CHARITY	
	2024	2023 (Restated)	**2024**	2023 (Restated)
	£'000	**£'000**	**£'000**	**£'000**
Prepayments and accrued income	6,298	3,275	6,291	3,272
Other debtors	238	40	215	40
Due from subsidiary	-	-	16	3
Total	6,536	3,315	6,522	3,315

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2024	2023 (Restated)	**2024**	2023 (Restated)
	£'000	**£'000**	**£'000**	**£'000**
Deferred income				
At 1 April	375	853	375	854
Arising during the year	1,362	786	1,362	786
Released during the year	(907)	(1,264)	(907)	(1,265)
At 31 March	830	375	830	375
Trade creditors	378	232	377	229
Accrued expenses	328	447	306	432
Other creditors	59	47	74	49
Total	1,595	1,101	1,587	1,085

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

16. PROVISIONS FOR LIABILITIES – GROUP AND CHARITY

	2024	2023 (Restated)
	£'000	£'000
At 1 April	110	110
Amounts provided for	-	-
Amounts released	(18)	-
At 31 March	92	110

The Charity has renewed an eight-year lease to January 2032 with the current landlord. The new lease signed on 28 June 2024 sets out that no dilapidation will be payable by the Charity. This is considered to be a non-adjusting post balance sheet event, and the above provision for dilapidations is based upon the conditions that were in place at the Balance Sheet date.

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP	Tangible Fixed Assets 2024 £'000	Investments and Associates 2024 £'000	Net Current Assets 2024 £'000	Group Total 2024 £'000
General Funds	21	73,415	9,801	83,237
Designated Funds				
Afghanistan Fund	-	-	5,593	5,593
Current Operations Fund	-	-	2,247	2,247
Relocation Fund	-	-	-	-
	-	-	7,840	7,840
Restricted Funds				
Commandos Benevolent	-	-	247	247
DEFLOG VQ Trust	-	-	926	926
Falklands Fund	-	3,297	100	3,397
George Purse Trust Fund	-	1,629	405	2,034
Gulf Fund	-	-	-	-
	-	4,926	1,678	6,604
Expendable endowment				
Edward Gostling Fund	-	-	225	225
	21	78,341	19,544	97,906

GROUP	Tangible Fixed Assets 2023 £'000	Investments and Associates 2023 £'000	Net Current Assets 2023 £'000	Group Total 2023 £'000
General Funds	53	77,594	(11,974)	65,673
Designated Funds				
Afghanistan Fund	-	-	5,999	5,999
Current Operations Fund	-	-	2,247	2,247
Relocation Fund	-	-	12,000	12,000
	-	-	20,246	20,246
Restricted Funds				
Commandos Benevolent	-	-	254	254
DEFLOG VQ Trust	-	-	1,153	1,153
Falklands Fund	-	3,238	135	3,373
George Purse Trust Fund	-	1,599	424	2,023
Gulf Fund	-	-	138	138
	-	4,837	2,104	6,941
	53	82,431	10,376	92,860

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

CHARITY	Tangible Fixed Assets 2024 £'000	Investments and Associates 2024 £'000	Net Current Assets 2024 £'000	Charity Total 2024 £'000
General Funds	21	73,415	9,782	83,218
Designated Funds				
Afghanistan Fund	-	-	5,593	5,593
Current Operations Fund	-	-	2,247	2,247
Relocation Fund	-	-	-	-
	-	-	7,840	7,840
Restricted Funds				
Commandos Benevolent	-	-	247	247
DEFLOG VQ Trust	-	-	926	926
Falklands Fund	-	3,297	100	3,397
George Purse Trust Fund	-	1,629	405	2,034
Gulf Fund	-	-	-	-
	-	4,926	1,678	6,604
Expendable endowment				
Edward Gostling Fund	-	-	225	225
	21	78,341	19,525	97,887

CHARITY	Tangible Fixed Assets 2023 £'000	Investments and Associates 2023 £'000	Net Current Assets 2023 £'000	Charity Total 2023 £'000
General Funds	53	77,594	(11,998)	65,649
Designated Funds				
Afghanistan Fund	-	-	5,999	5,999
Current Operations Fund	-	-	2,247	2,247
Relocation Fund	-	-	12,000	12,000
	-	-	20,246	20,246
Restricted Funds				
Commandos Benevolent	-	-	254	254
DEFLOG VQ Trust	-	-	1,153	1,153
Falklands Fund	-	3,238	135	3,373
George Purse Trust Fund	-	1,599	424	2,023
Gulf Fund	-	-	138	138
	-	4,837	2,104	6,941
	53	82,431	10,352	92,836

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

18. GENERAL FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY

	GROUP		CHARITY	
	2024	2023	**2024**	2023
	£'000	**£'000**	**£'000**	**£'000**
At 1 April	65,673	71,627	65,649	71,601
Income	14,672	11,180	14,606	11,101
Expenditure	(14,420)	(13,715)	(14,349)	(13,634)
Gains/(losses)	5,312	(3,419)	5,312	(3,419)
Transfer from the Designated Fund	12,000	-	12,000	-
At 31 March	83,237	65,673	83,218	65,649

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

19. DESIGNATED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY

GROUP	Afghanistan Fund 2024 £'000	Current Operations Fund 2024 £'000	Relocation Fund 2024 £'000	Total 2024 £'000
Income				
Income from charitable activities	-	-	-	-
Income from investments	37	-	-	37
Total income	37	-	-	37
Expenditure				
Grants to other charities	(410)	-	-	(410)
Grants for the benefit of individuals	(23)	-	-	(23)
Grant making and other support costs	(10)	-	-	(10)
Total expenditure	(443)	-	-	(443)
Net (expenditure) before net gains/ (losses) on investments	(406)	-	-	(406)
Net gains/(losses) on investments	-	-	-	-
Net (expenditure) for the year	(406)	-	-	(406)
Transfer to the General Fund	-	-	(12,000)	(12,000)
Net movement in funds	(406)	-	(12,000)	(12,406)
Fund balances at 1 April	5,999	2,247	12,000	20,246
Fund balances at 31 March	5,593	2,247	-	7,840

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

19. DESIGNATED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY (CONTINUED)

GROUP	Afghanistan Fund 2023 £'000	Current Operations Fund 2023 £'000	Relocation Fund 2023 £'000	Total 2023 £'000
Income				
Income from charitable activities	-	-	-	-
Income from investments	36	-	-	36
Total income	36	-	-	36
Expenditure				
Grants to other charities	(386)	-	-	(386)
Grants for the benefit of individuals	(6)	-	-	(6)
Grant making and other support costs	(10)	-	-	(10)
Total expenditure	(402)	-	-	(402)
Net (expenditure) before net gains/ (losses) on investments	(366)	-	-	(366)
Net gains/(losses) on investments	-	-	-	-
Net (expenditure) for the year	(366)	-	-	(366)
Transfer to the General Fund	-	-	-	-
Net movement in funds	(366)	-	-	(366)
Fund balances at 1 April	6,365	2,247	12,000	20,612
Fund balances at 31 March	5,999	2,247	12,000	20,246

Designated Funds, within Unrestricted Funds, are set aside at the discretion of the trustees for specific purposes and time. The Designated Funds now consist of the Current Operations Fund (COF), the Afghanistan Fund and the Relocation Fund (RF).

+ The Current Operations Fund was established in 2007 to provide a continuing fund for soldiers, former soldiers, and their dependants in times of need who are suffering distress as a result of military operations being undertaken at that time and all subsequent military operations. It will continue in place until such time as all eligible beneficiaries no longer survive.

+ The Afghanistan Fund was set up to support Army families affected by the Afghanistan campaign. Similarly, this will be time limited.

+ The Relocation Fund of £12 million, earmarked for the purchase of the Charity's head office, was transferred to the general funds in 2024 following the infrastructure review. The Charity has renewed an eight-year lease to January 2032 with the current landlord.

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

20. RESTRICTED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY

	Commandos Benevolent Fund	DEFLOG VQ Fund	Falklands Fund	George Purse Trust	Gulf Fund	Various Legacies	The Band Trust	Total
	2024	2024	2024	2024	2024	2024	2024	2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income								
Income from charitable activities	-	-	-	-	-	10	100	110
Income from investments	-	-	128	63	-	-	-	191
Total income	-	-	128	63	-	10	100	301
Expenditure								
Grants to other charities	-	(121)	(139)	-	(123)	-	-	(383)
Grants for the benefit of individuals	(7)	(106)	(8)	(77)	(11)	(10)	(100)	(319)
Grant making and other support costs	-	-	(15)	(5)	(5)	-	-	(25)
Total expenditure	(7)	(227)	(162)	(82)	(139)	(10)	(100)	(727)
Net (expenditure) before net gains on investments	(7)	(227)	(34)	(19)	(139)	-	-	(426)
Net gains on investments	-	-	59	30	-	-	-	89
Net (expenditure)/income for the year	(7)	(227)	25	11	(139)	-	-	(337)
Net movement in funds	(7)	(227)	25	11	(139)	-	-	(337)
Fund balances at 1 April	254	1,153	3,372	2,023	139	-	-	6,941
Fund balances at 31 March	247	926	3,397	2,034	-	-	-	6,604

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

20. RESTRICTED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY (CONTINUED)

	Commandos Benevolent Fund	DEFLOG VQ Fund	Falklands Fund	George Purse Trust	Gulf Fund	Total
	2023	2023	2023	2023	2023	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Income from charitable activities	-	-	-	-	-	-
Income from investments	-	-	123	61	-	184
Total income	-	-	123	61	-	184
Expenditure						
Grants to other charities	-	(145)	(102)	-	(77)	(324)
Grants for the benefit of individuals	-	(129)	(6)	(63)	(1)	(199)
Grant making and other support costs	-	-	(15)	(15)	(5)	(35)
Total expenditure	-	(274)	(123)	(78)	(83)	(558)
Net (expenditure) before net gains on investments	-	(274)	-	(17)	(83)	(374)
Net losses on investments	-	-	(386)	(191)	-	(577)
Net (expenditure) for the year	-	(274)	(386)	(208)	(83)	(951)
Net movement in funds	-	(274)	(386)	(208)	(83)	(951)
Fund balances at 1 April	254	1,427	3,758	2,231	222	7,892
Fund balances at 31 March	254	1,153	3,372	2,023	139	6,941

The Restricted Funds consist of:

+ The Army Commandos' Benevolent Fund gave the bulk of its winding up funds as a grant to the Army Benevolent Fund for the assistance of any such persons who have served in the Commandos and in making grants to charitable organisations which directly or indirectly benefits the persons or dependents of persons who have served in the Commandos. There have been no cases presented this year where an individual met the criteria for eligibility for funding from the Commandos fund.

+ The DEFLOG VQ Trust was set up from the funds received from The DEFLOG VQ Trust, which folded into the Army Benevolent Fund four years ago. The funds are restricted to advance education and training and to relieve unemployment; and relieve the needs of people who are at risk of becoming socially excluded, through the promotion of social inclusion.

+ The Falklands Fund, which exists to meet the needs of soldiers, former soldiers and their dependants who have suffered distress as a result of the Falklands conflict.

+ The George Purse Trust Fund which exists to make grants that would not otherwise be provided out of Charity Unrestricted funds to support the welfare needs of ex-Army personnel, dependants and carers residing in the former boundaries of the counties of Glamorgan and Monmouthshire.

+ The Gulf Trust (Army and Civilian) Fund was set up to meet the needs of soldiers, civilian personnel attached to or accompanying the Armed Forces and their dependants who have suffered distress as a result of the Gulf conflict and any continuing operations. The fund was fully expended in 2024.

+ The Charity received three legacies which were restricted to meet the needs of soldiers, former soldiers and their dependants in defined locations.

+ The Band Trust contributed £100k towards mobility related assistance as part of our Independent Living Programme.

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

21. ENDOWMENT FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY

	Edward Gostling Fund 2024	Total 2024
	£'000	£'000
Income		
Income from charitable activities	250	250
Income from investments	-	-
Total income	250	250
Expenditure		
Grants to other charities	-	-
Grants for the benefit of individuals	(25)	(25)
Grant making and other support costs	-	-
Total expenditure	(25)	(25)
Net income before net gains/ (losses) on investments	225	225
Net gains/(losses) on investments	-	-
Net income for the year	225	225
Transfer to the General Fund	-	-
Net movement in funds	225	225
Fund balances at 1 April	-	-
Fund balances at 31 March	225	225

The expendable endowment was a donation of £250,000 from the Edward Gostling Foundation. The fund will be used to provide grants to soldiers, former soldiers and their families over a period of ten years to enable independent living.

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

22. RESTATEMENT OF PRIOR PERIOD BALANCES

The charity receives a proportion of its dividend income from its investment portfolio in the form of accumulation units. Previously these had not been recognised in the Statement of Financial Activities as investment income, nor in the Balance Sheet as purchase of investments and had instead been classed as a gain on investment assets by virtue of them being a non-cash transaction. This transaction has been reclassified in these accounts for the period to 31 March 2024 and the comparative restated accordingly. This has had the impact of increasing investment income by £1,426k from £724k reported in the prior year's financial statements to £2,150k. Gains on investment assets reported in the prior year's financial statements has reduced by £1,426k.

23. FINANCIAL INSTRUMENTS

	GROUP		CHARITY	
	2024	2023	**2024**	2023
	£'000	**£'000**	**£'000**	**£'000**
Financial assets				
Financial assets measured at fair value through income and expenditure	78,330	82,421	78,330	82,421

Financial assets measured at fair value comprise listed investments.

24. PENSION COSTS

Army Benevolent Fund Group Pension Plan

Employer contributions to the auto enrolment scheme during the year to 31 March 2024 amounted to £180k (2023: £185k).

There was an outstanding pension contribution of £30k as at 31 March 2024 (2023: £28k).

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

25. OPERATING LEASE COMMITMENTS

At 31 March 2024 the Charity had future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Land and buildings **2024**	Office machinery **2024**	Vehicles **2024**	Total **2024**
	£'000	**£'000**	**£'000**	**£'000**
Not later than one year	720	13	-	733
Later than one year and not later than five years	168	4	-	172
Later than five years	-	-	-	-
	888	17	-	905

	Land and buildings **2023**	Office machinery **2023**	Vehicles **2023**	Total **2023**
	£'000	**£'000**	**£'000**	**£'000**
Not later than one year	723	12	-	735
Later than one year and not later than five years	888	15	-	903
Later than five years	-	-	-	-
	1,611	27	-	1,638

The lease between the Army Benevolent Fund and Grosvenor Estate Belgravia covers the first, second and third floors at Mountbarrow House.

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

26. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	NOTES	Total 2024	Unrestricted Funds General (note 18)	Unrestricted Funds Designated (note 19)	Restricted Funds (note 20)	Endowment Funds (note 21)	Total 2023 (Restated)
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:							
Donations and legacies							
The public							
Donations and Appeals Income		2,829	3,291	-	-	-	3,291
Legacies		5,241	2,346	-	-	-	2,346
		8,070	5,637	-	-	-	5,637
Army personnel							
From individuals in Army Units		55	25	-	-	-	25
Regimental and Corps Benevolent Funds		986	842	-	-	-	842
Army Dependants Trust		917	765	-	-	-	765
		1,958	1,632	-	-	-	1,632
Investments	3	2,487	1,930	36	184	-	2,150
Other trading activities		2,744	3,409	-	-	-	3,409
Total Income		15,259	12,608	36	184	-	12,828
Expenditure on:							
Trading activities	4	2,464	2,989	-	-	-	2,989
Other costs of raising funds	5	4,003	2,702	-	-	-	2,702
		6,467	5,691	-	-	-	5,691
Charitable activities							
Grants to Regiments and Corps for the benefit of individuals	6	3,385	2,962	6	199	-	3,167
Grants to other charities	7	3,751	2,788	386	324	-	3,498
		7,136	5,750	392	523	-	6,665
Grant making and other support costs	8	2,012	2,274	10	35	-	2,319
		9,148	8,024	402	558	-	8,984
Total expenditure		15,615	13,715	402	558	-	14,675
Net (expenditure) before net gains on investments		(356)	(1,107)	(366)	(374)	-	(1,847)
Net gains/(losses) on investments	12	5,401	(4,845)	-	(577)	-	(5,422)
Net income/(expenditure) for the year		5,045	(5,952)	(366)	(951)	-	(7,269)
Net interest in the results for the year in associates	13	1	(2)	-	-	-	(2)
Net movement in funds		5,046	(5,954)	(366)	(951)	-	(7,271)
Fund balances at 1 April		92,860	71,627	20,612	7,892	-	100,131
Fund balances at 31 March		97,906	65,673	20,246	6,941	-	92,860

ARMY BENEVOLENT FUND

Notes to the financial statements for the year ended 31 March 2024

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Cobseo The Confederation of Service Charities

VS Veterans Scotland

Registered with FUNDRAISING REGULATOR

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For Soldiers. For Life.

Army Benevolent Fund

England & Wales - Charity number 1146420

Accounts

ABF THE SOLDIERS' CHARITY

The Army's National Charity

2022/23

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

SUPPORT US AND YOU SUPPORT THE WHOLE ARMY FAMILY.

PATRON
In abeyance (September 2022)

VICE PATRON
In abeyance (September 2022)

PRESIDENT
General Sir James Everard KCB CBE

TRUSTEES

CHAIRMAN
Lieutenant General (Ret'd) Philip Jones CB CBE DL
(Retired December 2022)

Simon Heale (Appointed January 2023)

VICE CHAIRMAN
Simon Martin (Retired April 2022)

Mary Fagan (Appointed April 2022)

MEMBERS
Sarah Booth

Warrant Officer Class One
(Army Sergeant Major)
Paul Carney

Rowena Fell

Major General Paul Griffiths CB

Paul Hearn (Retired April 2022)

Major General (Ret'd) Chris Hughes CBE
(Appointed April 2022)

David London

Amanda Metcalfe

James Rous

Anthony Scott

Major General (Ret'd) Malcolm Wood CBE
(Retired April 2022)

Lisa Worley (Retired November 2022)

SENIOR MANAGEMENT TEAM
Major General (Ret'd) Tim Hyams CB OBE,
Chief Executive

Brigadier (Ret'd) Peter Monteith MBE,
Chief Operating Officer

Temidayo Ajakaiye, Director of Finance

Sean Bonnington, Director of Fundraising

Colonel (Ret'd) Kevin Haugh CBE,
Director of Grants & Welfare

Jenny Redman, Director of Communications
& Marketing

Brigadier (Ret'd) Colin Tadier CBE,
Director of Regions (Retired September 2022)

REGISTERED OFFICE
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6–20 Elizabeth Street
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SW1W 9RB

Telephone: 020 7901 8900
E-mail: info@soldierscharity.org
Website: www.soldierscharity.org

ABF The Soldiers' Charity is an incorporated charity registered with the Charity Commission for England and Wales with Charity No. 1146420, and in Scotland with the Office of the Scottish Charity Regulator with Scottish Charity Register No. SC039189.

ABF The Soldiers' Charity is a company limited by guarantee in England and Wales (07974609) and was incorporated on 2nd March 2012.

Cobseo
The Confederation of Service Charities

ABF THE SOLDIERS' CHARITY
The Army's National Charity

Registered with FUNDRAISING REGULATOR

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WELCOME FROM THE CHAIRMAN

This is my first report as Chair, having taken over from Phil Jones at the end of 2022 as he moved to his new role as Governor of Windsor Castle. I would like, on behalf of everyone associated with the Charity, to express our gratitude to Phil for his hugely significant contribution as Chair since 2016. His commitment, dedication, and calm, wise leadership has been exemplary; the Charity is better for having had him at the helm for the past six years. We wish him and Denise all the very best for all that lies ahead. I know they will not be strangers.

SIMON HEALE
CHAIRMAN

It is a great honour to chair ABF The Soldiers' Charity. Having been a trustee for three years, I am deeply conscious of its place in the Army's heart and the immense value it delivers to the Army's people. Indeed, the Charity was described recently by General Sir Patrick Sanders, the Chief of the General Staff, as being as important to the Army as any of its regiments or corps.

This is a charity for the long term; here for as long as there is a British Army. It is here to support soldiers, for life. It is built on the firm foundations of good governance, due diligence in delivery of necessary benevolence to those in need, swift and efficient responsiveness to requests for help, and on-going financial strength. That is important in a continuing sense for an organisation that represents the Army and the Army family as its official national charity. It is equally important given the continued need for our vital work; repaying a debt of gratitude to those who have served our country when they fall into need, so that they can live their lives with independence and dignity. There are no signs of that need abating; indeed, quite the reverse.

I am delighted to work with our Chief Executive, Tim Hyams, who has completed his first full year with the Charity. He brings a clarity of thought to our work, both currently and in setting out clear and coherent longer term plans, whilst providing strong day to day management to our dedicated staff. I am enormously grateful to Tim and the rest of the team for their hard work, support and encouragement. It is a privilege to work with them on behalf of the Army family.

I believe we are well positioned to continue serving the broader Army community in the years ahead and I look forward to ensuring we maintain the highest standards.

Finally, it would be remiss of me not to mark the passing of Her Majesty Queen Elizabeth II, who was our Patron since 1953. Like the wider Army family, we at the Charity had the very highest respect and admiration for her sense of service, resilience, and fortitude; and for the evident care and attention Her Majesty demonstrated for her Army and its people.

"I BELIEVE WE ARE WELL POSITIONED TO CONTINUE SERVING THE BROADER ARMY COMMUNITY IN THE YEARS AHEAD AND I LOOK FORWARD TO ENSURING WE MAINTAIN THE HIGHEST STANDARDS."

WELCOME FROM THE CHIEF EXECUTIVE

Like Simon, our Chair, I am conscious of the privilege of being Chief Executive of ABF The Soldiers' Charity, providing a lifetime of support to serving soldiers, veterans, and their immediate families when they are in need, such they are afforded the opportunity to avoid hardship and enjoy independence and dignity.

We are clear there is a value in service, with the vast majority of the Army family contributing meaningfully to society as a result of the values and skills developed during their service. However, the reality is a number of our people sadly fall into need. When they do, we are here to give them the necessary support so they can overcome difficulties and move forward with their lives.

In 2022-23, that saw us support some 70,000 soldiers, veterans, and their immediate families in 45 countries around the world. In so doing, our youngest beneficiary was three months old, and the oldest was 103 years old. We really are here for all soldiers for life.

As one of the largest funders in the military charity sector, delivering £9m in benevolence in the last year, we provide that support through a combination of our individual grants programme, supporting the regimental and corps charities to meet the immediate needs of their people, and through making grants on behalf of the Army and its regiments and corps to other charities and organisations that provide specialist support. In both cases, our assurance system is such that every grant request is assessed rigorously to ensure it achieves the stated objectives and leads to required outcomes.

In the background, we continue to fund organisations that carry out Army-related casework and invest in the Casework Management System; this to ensure grants are reviewed and disbursed quickly and effectively. And in a wider sense, we play a key role through collaborating with, and providing support and advice to, other military charities and organisations.

The data received this year confirms that, whilst smaller in absolute terms, the cohort we serve is younger, more diverse, will live longer, and - in line with society - will experience more complex health and social care needs.

MAJOR GENERAL (RET'D) TIM HYAMS CB OBE
CHIEF EXECUTIVE

Overall, therefore, the trend is for the number of cases to reduce over time, but for the complexity, and thus cost of each case, to increase.

More immediately, grants to individuals in need are up markedly, both in number and in overall cost. We review the data regularly to understand the factors that lie beneath the headline figures, but there is little doubt the impact of the current economy will be exacerbating wider underlying causation (social isolation, housing, mental well-being, drink and drugs related problems, family relationship breakdown, and employment related issues).

In parallel, grants to delivery charities and organisations also are increasing, due in part to funding reductions from other organisations. When considering bids for our funding, we ensure outcomes are evidenced appropriately, and encourage collaboration across the sector to ensure the impact is coherent and long-lasting.

As a charity, we are positioning ourselves to respond to this pattern of need through implementation of our rolling 4-Year Plan, which is focused on delivery of the Charity's enduring outputs through a more long-term approach. On that basis, and with the continued and generous help of our supporters, we feel well-placed to provide a lifetime of support to those that matter the most: our soldiers, veterans, and their immediate families.

OUR VISION

All serving soldiers, veterans, and their immediate families should have the opportunity to avoid hardship and enjoy independence and dignity.

OUR OBJECTIVES

Since our formation in 1944, our objectives have been to benefit persons who are serving or who have served in the British Army, or their dependants, in any charitable way by the provision of grants, loans, gifts, pensions or otherwise. We work with veterans of every conflict, from the Second World War to the most recent operations, whether they live in the British Isles or overseas.

OUR MISSION

We are the Army's national charity, giving a lifetime of support to serving soldiers, former soldiers and their immediate families when they are in need.

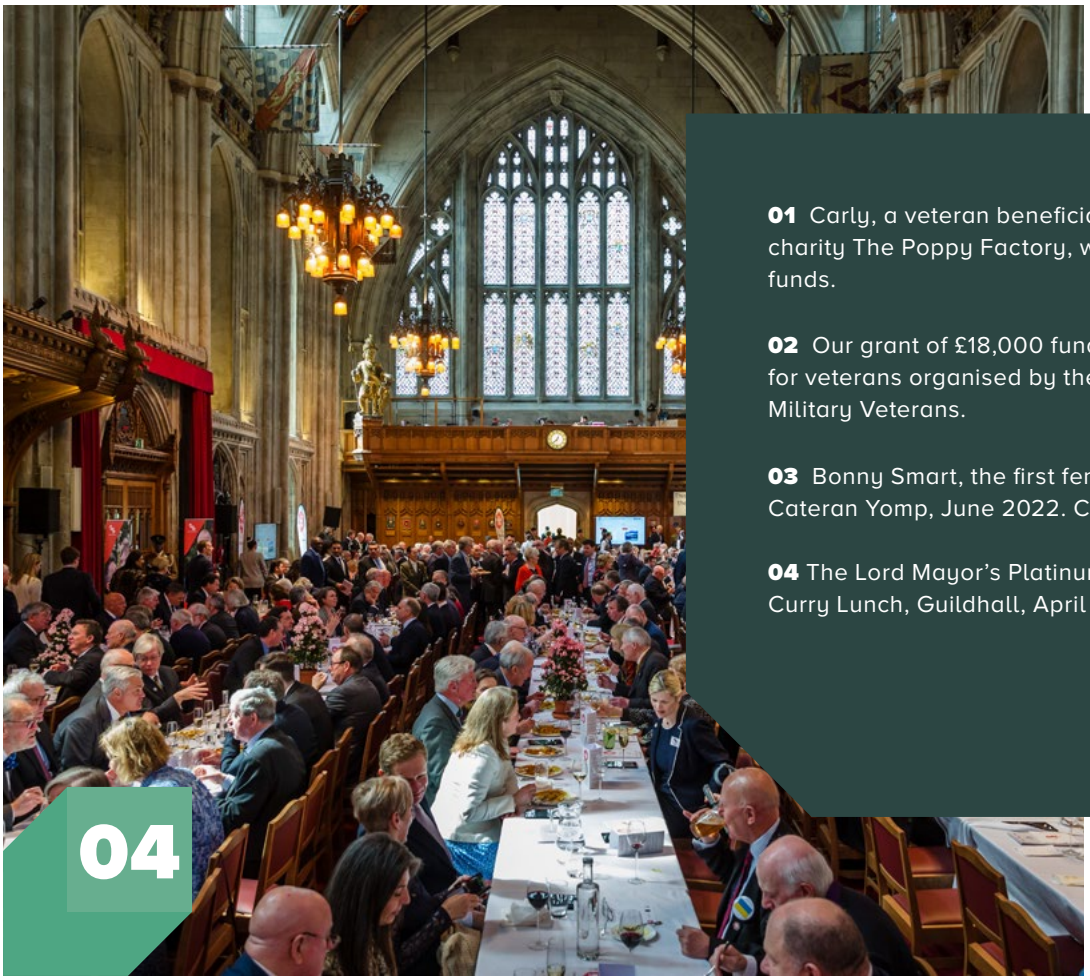
PUBLIC BENEFIT

When reviewing ABF The Soldiers' Charity's aims and objectives, and when setting grant-making policy and planning for the future, the trustees have carefully considered the Charity Commission's guidance on public benefit. ABF The Soldiers' Charity provides a public benefit in that it supports the Army community, contributing to the defence of the UK and its interests. Through its external grants programme, ABF The Soldiers' Charity also enables other charities to maximise their public benefit, in support of the Army family.

EQUALITY, DIVERSITY & INCLUSION

We are committed to championing equality, diversity and inclusion on our Board, amongst our workforce and in all our behaviours. As the Army's national charity, it is vital we remain relevant and reflective of our varied Army community and of society more broadly. We are particularly proud of our diverse workforce, both in the national office and across all 11 regional offices; and are committed to creating a culture where everyone is celebrated, regardless of gender, sexual orientation, disability, ethnic background, nationality, religion or belief. We recognise there is still work to be done and are committed to continuous improvement to ensure we remain best placed to serve the Army community, both here in the UK and around the world.

03



04

01 Carly, a veteran beneficiary of our partner charity The Poppy Factory, which our charity funds.

02 Our grant of £18,000 funded special trips for veterans organised by the Taxi Charity for Military Veterans.

03 Bonny Smart, the first female winner of the Cateran Yomp, June 2022. Credit: Ed Smith

04 The Lord Mayor's Platinum Jubilee Big Curry Lunch, Guildhall, April 2022.

CHARITABLE ACTIVITIES OVERVIEW

As the Army's national charity, the welfare of soldiers, veterans, and their immediate families has always been at the heart of everything we do.

Our purpose has remained the same since 1944: to ensure that every soldier, past, present and future, can avoid hardship and live with independence and dignity.

In the past year, we have supported around 70,000 members of the Army family in 45 countries across the globe. This has been achieved via our individual grants programme, through which we have supported 3,763 individual cases, and by providing essential funding to 74 other charities and organisations to enable them to deliver specialist services to the Army family.

In addition to these two key grants programmes, we have also funded Army-related casework and the pan-sector digital platform that enables grants to be paid out quickly and securely; and collaborated with key sector stakeholders including the government, other charities and the Army, to ensure we are as well placed as possible to support soldiers, veterans and their immediate families. By supporting us, you truly do support the whole Army family.

In the financial year 2022-23, our charitable expenditure was £9m. As one of the largest funders in the military charity sector, our aim is to ensure a complete spectrum of support to the Army family in the areas it is needed most. The overall scale, breadth and variety of our support is vast: helping Army families, including the bereaved; improving mental wellbeing; enabling independent living; caring for the elderly; training and education to increase employability; and securing the provision of suitable housing.

As ever, we pride ourselves on acting immediately when help is needed and providing true through-life support.

In 1989 Steve was badly wounded in a bomb explosion in Belfast whilst serving with The Royal Anglian Regiment. Despite having two prosthetic limbs, he became an accomplished sportsman with a talent for archery. Our Charity helped fund a new ramp in his bungalow to improve his independent mobility.

In FY21-22 we spent **£9M** supporting **70,000** members of the Army family

The youngest person we supported was **THREE MONTHS OLD**, the eldest was **103**

We funded **74 OTHER CHARITIES** and organisations that provide support for the Army family

SUPPORTING THE ARMY FAMILY

We are here to support the Army family through all of life's challenges, including bereavement, injury, getting back to work, elderly care, and much more besides.

Our support is truly for life with individuals supported in FY22-23 aged from three months to 103 years old.

We are never judgemental, and we always adopt an integrated approach to the person or family in need of support. Sometimes, an individual in need may receive an initial grant from us, delivered through their regimental or corps charity; then be referred to a specialist charity that we have funded. They may then receive support from other partner charities – with assistance from us at every stage.

Throughout, we rigorously focus on their need and allocate our support accordingly across a wide range of charity partners. We give grants to support other charities both large and small, local and international, depending on our assessment of where the need is. Our grants programme is continually evolving – and all cases are based on merit, with rigorous due diligence checks on the effect of our expenditure.

Finally, and crucially, we act with speed. When we are alerted that a person or family needs help, we aim to make the relevant grant within 48 hours.

We are here for the Army family when they need us. Our support is available for soldiers at the start of their careers and continues for life – long after service is over.

We have supported the British Army family in **45 COUNTRIES** all over the world

Around **12% OF THE GRANTS** we made to other charities benefited the serving Army

We spend around **£60,000 A WEEK** on grants to individuals

OUR THREE MECHANISMS FOR PROVIDING SUPPORT

1. We make grants to individuals, through their regimental and corps charities.

2. We make grants to other charities and organisations that deliver specialist support to soldiers, veterans, and their immediate families.

3. We play a key role in the military welfare ecosystem by: funding organisations that carry out Army-related casework (particularly SSAFA The Armed Forces Charity); investing in the Casework Management System (to ensure grants are reviewed and disbursed quickly); and collaborating with and providing advice and support to other military charities and organisations such as Cobseo and Veterans Scotland.

FUNDRAISING

We are extremely grateful to every person and organisation that supports us to make our grant-making possible. Last year, they enabled us to assist over 70,000 members of the Army family in 45 countries around the world.

As with previous years, we are extremely grateful for the continued support of those organisations close to the Army family; including the Army Dependants' Trust, which donated almost £765k this year, and the regimental and corps charities, which contributed nearly £850k.

We are extremely fortunate for the sustained support of our philanthropic donors: The Blavatnik Family Foundation, Cadogan Charity, Michael Bishop Foundation, Mike Gooley Trailfinders Charity, Monday Charitable Trust, National Garden Scheme, PF Charitable Trust, Royal Edinburgh Military Tattoo, Thales Charitable Trust, Wimbledon Foundation, The Worshipful Company of Dyers, and our generous anonymous donors. We are also grateful for the significant support we have received this past year from Bernard and Judy Cornwell Foundation, Eranda Rothschild Foundation, Moondance Foundation, and Julia and Hans Rausing.

Our corporate support continues through donations from organisations including BAE Systems, MBDA Missile Systems, RIFT Group, Petrogas Group and Rolls-Royce. Special thanks go to the Betting and Gaming Council for their donation of profits from the Britannia Stakes to support our work.

FUNDRAISING STANDARDS

We adhere to the highest fundraising standards. Our fundraising success is directly related to our reputation, and we go to great lengths to protect the public, including vulnerable people, by avoiding any practices that are not in line with ABF The Soldiers' Charity's values. We are committed to the Fundraising Regulator's Code of Fundraising Practice to ensure we meet the highest standards, so supporters and volunteers can give and fundraise with confidence and trust.

OUR BEHAVIOUR

We promise to always show respect and never pressure anyone to make a donation. We want the decision to give to always be an active choice on the part of the giver and we are particularly sensitive when dealing with vulnerable people. We have a comprehensive supporter-engagement policy, which incorporates all elements of fundraising and associated activities. We do not sell personal details to other charities or other third parties. We only share personal information with suppliers that we engage to process data on our behalf; and such processing is only conducted under formal data processing agreements.

COMPLYING WITH GDPR

The General Data Protection Regulation (GDPR) came into force in May 2018 and was subject to a significant update in the wake of the UK's departure from the EU. In order to take forward the raft of complex and often inter-related technical and procedural issues, we have established a Data Working Group (DWG), which meets regularly to resolve issues, agree priorities and ensure better coherence on how data is managed within the Charity.

INFORMATION SYSTEMS

We continue to modernise and raise the standard of our technical processes and infrastructure that support fundraising, making full use of our principal CRM, Raiser's Edge NXT. We have made significant strides towards using Business Intelligence and data analysis, better to understand our supporter base and thus communicate more effectively with them. We have also continued to ensure that our data holdings, and wider IT infrastructure, are secure and robust in terms of countering the cyber threat.

Sgt Todd, Cpl Clayton & LSgt Clowes, Household Division

SAFEGUARDING

ABF The Soldiers' Charity is proactively committed to safeguarding children, young people and vulnerable adults with whom staff, or any organisation acting on our behalf, come into contact with during fundraising, benevolence or outreach activities. We regularly review our safeguarding policy, including a full annual Trustee review, to ensure it is fully up-to-date and fit for purpose. We take all reasonable care to protect our beneficiaries, supporters and staff, and comply with all relevant legal obligations and statutory guidance. Safeguarding is integral to our recruiting process and all new staff members are DBS checked. There is also a documented procedure for reporting serious incidents to the Charity Commission and relevant statutory bodies. In FY22-23 there were no such matters to report.

ACCESSIBILITY

We make it easy for people to get in touch with us either by phone, letter or email. Whether someone wants to ask a question about our work or how we spend donations, or find out about an event we are organising, or update their communication preferences, we pride ourselves on being responsive and accessible. And, of course, we have a complaints process in place, should any supporter be unhappy or express concerns about our activity. The Charity received no complaints in FY22-23.

RELATIONSHIPS WITH AGENCIES AND COMMERCIAL PROVIDERS

We have a small in-house fundraising team and employ external agencies to add additional expertise or capacity; for example, event-management companies when we are organising large-scale events. This is more cost effective than trying to do everything ourselves. We always ensure signed contracts are in place.

FINANCIAL HIGHLIGHTS

OVERVIEW

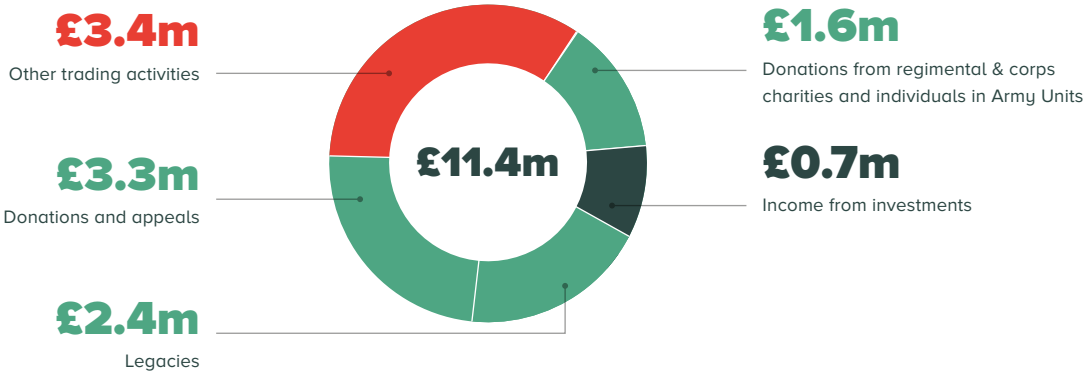
Total income remained in line with the previous financial year at £11.4m (FY21-22: £11.2m), reflecting a mixed result in our fundraising activity. Income received from legacy was lower at £2.3m (FY21-22: £3.2m). Donations of £3.3m (FY21-22: £2.8m) were higher, and we continue to be extremely grateful to our donors. Income from the Army, which comprises donations from individuals, regimental and corps charities and the Army Dependants' Trust, was reduced to £1.6m to reflect a return to regular activities (FY21-22: £2m): we received additional support of £259k in the previous financial year from regimental and corps charities to alleviate the impact of the pandemic. Income from trading activities increased to £3.4m (FY21-22: £2.5m), following a return to steady fundraising activities. The investment income was £724k (FY21-22: £547k), due to the increase in the yield from our deposits.

Total expenditure for the year increased to £14.7m (FY21-22: £13.4m). Our charitable expenditure delivering benevolence, including individual and charitable grants to those in need, increased by 7% to £9m (FY21-22 £8.4m). The number of individual cases increased by 21% to 3,763 (FY21-22: 3,111 cases). In the past year, we provided block grants to 74 (FY21-22: 66) delivery charities and organisations supporting a plethora of areas reaching out to the entire Army community. We are working with other charities to ensure greater coherence and efficiency in our collective delivery of benevolence. Costs of raising funds increased to £5.7m (FY21-22: £5m) as we resumed most of our fundraising activities. These expenditures increased as we continue to invest in donor recruitment.

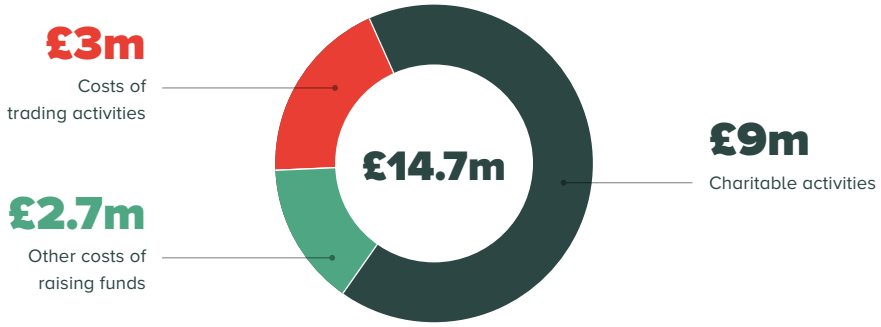
Overall, the accounts for the year ended with a net expenditure of £3.3m (FY21-22: net expenditure of £2.2m).

D Frampton AAC Cosby

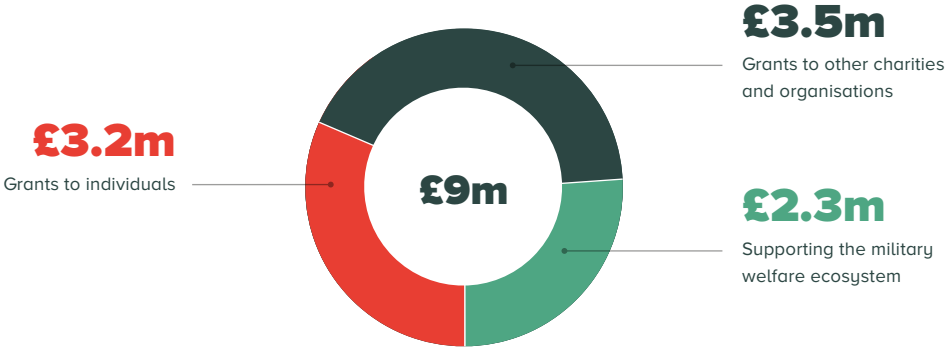
WHERE OUR FUNDING CAME FROM



HOW WE SPENT AND ALLOCATED MONEY



HOW WE SUPPORTED THE ARMY FAMILY



FINANCIAL HIGHLIGHTS CONTINUED...

INVESTMENT MANAGEMENT

Our overall investment objective is focused on the capital growth of our investments in real terms, with an appropriate return from our income units; noting the Charity has converted most of its investments from income units to accumulation units to reduce income distributions and provide capital growth over time. Funds committed for grant making but not required for expenditure in the short term are invested. At the year end, the Charity held long-term investments with a market value of £82.4m and short-term cash deposits of £5.6m (FY21-22: £87.3m and £4m respectively).

Our investment performance and holdings are reviewed regularly by the Finance & Investment Committee against our investment objectives and its benchmarks. Our investments are held in line with our investment policy, which lays out guidelines for risk, as well as ensuring there are appropriate ethical policies in place. Each of our investments performed in line with, or better than, its benchmark, and therefore, overall, the trustees were satisfied with this performance.

RESERVES

Our reserve is based on three imperatives:

1. To manage, on behalf of the nation, a series of designated funds that support veterans who have served in particular conflicts, and their immediate family members.

2. To provide an operational reserve to underpin continued delivery of benevolence to the Army family in the immediacy of a 12 to 18-month period.

3. To provide a strategic reserve for the delivery of benevolence to the Army family in a more enduring sense, hedging against a significant change in operating conditions or benevolence need.

A significant proportion of our funds are ringfenced and administered on behalf of the nation to help veterans and families in need from conflicts such as Afghanistan, the Falklands Conflict and the Gulf War. They will be disbursed over many years until the last eligible soldier or family member are no longer alive.

Our operational reserve ensures we can continue delivering benevolence to the Army family in the immediacy of a 12 to 18-month period, should we face a significant fall in income. The Operational Reserve has been established through the work to place a monetary value on Risk, together with sensible provision for other probable contingencies and the Charity's Working Capital. The risk-based approach provides a rationale that leads to a justified level of operational reserves, based on the drivers of sufficient working capital to get through cyclical fluctuations; an estimate of the potential value of the foreseeable inherent and residual risks derived from the Risk Register; and an estimate of the amount required by the Charity to fulfil its 4-Year Plan.

We also hold a strategic reserve to ensure that we can deliver benevolence to the Army family in the long term, despite any changes that may occur in the operating environment (for example, future conflicts). Part of this picture includes meeting our responsibility for ensuring the regimental and corps charities can provide appropriate benevolence support, when called upon, in perpetuity.

Essentially, we need to ensure that the whole Army family's needs can be met, for as long as there is an Army.

RISKS AND UNCERTAINTIES

ABF The Soldiers' Charity has a proactive, thorough, and balanced approach to risk management. The Board of Trustees reviews major risks at each meeting and ensures that the senior management team has taken all reasonable measures to manage these risks and has the flexibility to seize opportunities as they appear.

Risks are graded by likelihood and severity, and include full descriptions of the actions and measures underway or required to attend to them. Key risks are also monetised where possible and a suitable amount of the Charity's reserve is annotated as allocated if required. This process allows us to measure the correct amount of operational reserve to hold, as well as being a prudent and effective way of managing the risks.

In the event of a major situation involving or otherwise affecting ABF The Soldiers' Charity, business continuity and disaster recovery plans are in place. Trustees also place considerable importance on achieving compliance with employment, health and safety and other relevant legislation.

ABF The Soldiers' Charity's solicitors review our principal policies on a regular basis, and all other policies are reviewed periodically by the senior management team on at least an annual basis. The key ones, such as Safeguarding and Anti-Fraud, are also annually reviewed by the Board of Trustees.

In the certain knowledge that we will need to continue to provide support to soldiers, veterans and their immediate families for many decades, we regularly update and review our financial plan, reserves and investment policies. Internal financial controls are reviewed by the Finance & Investment Committee on a regular basis.

We have, this year, been able to restart our end-to-end audit process. This allows the Charity dynamically to

confirm that its financial and technical control procedures remain effective and fit for purpose or, if they are not, to improve them quickly.

The trustees have declared themselves satisfied that major risks have been identified and adequately mitigated, wherever reasonably practicable. It is recognised that systems can only provide reasonable rather than absolute assurance that major risks have been adequately managed.

PLANS FOR FUTURE PERIODS

We reported last year on the range of overlapping issues impacting variably and in combination on our Charity and UK society more broadly. The aftermath and legacy of the pandemic, the global and national rises in key commodity prices exacerbated by the conflict in Ukraine, the impact in the UK specifically of rising inflation, and increasing public caution over non-essential personal spending, all had contributed to a particularly challenging operating environment. The impact of this combination of issues will continue to be severe for the foreseeable future. Despite the predicted gradual easing of UK inflation rates, and the probably resultant loosening of fiscal control and interest rates, we expect to be fundraising in a climate of public uncertainty and continued reluctance to spend on more than the essentials.

It remains difficult to predict future need and thus future charitable expenditure. However, our underlying assumption, reinforced by increasing evidence drawn from current patterns of need, remains that it will increase. Indeed, compared with last year's version of this report, we already are seeing an increase in need, both from individuals and from our partner charities; much of it resulting from the impact of the prevailing economic conditions. More broadly, the trend for the number of individual cases to reduce over time, but for the cost of each case to increase, remains valid as a planning assumption.

OUR RESPONSE

Against this challenging context, ABF The Soldiers' Charity remains in a relatively strong position, continuing to reflect the manner in which we were set up in 1944: to act as the Army's strategic reserve, or second line of benevolence support, behind the first line activity of the regimental and corps charities. Conscious of this role, over the years we deliberately have configured our operations to protect that responsibility. We remain focused entirely on grant making and have no direct delivery responsibilities; we make no grant commitments beyond in-year; and we husband our free reserves for the long haul, whilst also being prepared to make strategic interventions where appropriate. Prudent measures to increase our liquidity provide adequate cash well into the next financial year (FY), and our investments are held in very broad and diverse funds.

Operationally, our return to long-term planning, in the shape of the rolling 4-Year Plan, saw us take significant strides in FY22/23 (Year 0) towards setting the conditions for success; with the removal of the artificial divide between national and regional fundraising, the reset of the People Plan, and a rapidly developing redefinition of the regional contribution being notable achievements. FY23/24 (Year 1) is seeing continuing refinement, with particular emphasis on understanding the drivers behind, ROI from, and opportunities afforded by volunteer-led fundraising activity and the wider programme of staff-led fundraising events delivered across the country. It also will see us measure the impact of the levers being pulled in-year; specifically, the investment in face-to-face fundraising, a more coherent pan-charity approach to events, and a similarly coherent and increasingly programmatic approach to trusts, major donors, and corporates.

Our longer-term intent will be to continue to refine and improve the 4-Year Plan's underpinning methodology and logic rather than to steer a different course. Conscious always that it is healthy for a charity to maintain a modest annual deficit to ensure we are spending our generously donated money on benevolence, we nevertheless continue to aim, by the conclusion of the 4-Year Plan, to be closer to breaking even than has historically been the case. In addition to the ongoing work to enhance the income streams referred to previously, the later years of the 4-Year Plan will see increasing emphasis on longer lead time streams, such as legacy giving. We will also continue and enhance our investment in face-to-face giving, seeking to increase regular donations. We will provide an improved and nuanced corporate offering, seeking to harness not only the untapped potential of the corporate veteran community, but also to offer opportunities for targeted corporate and social responsibility benefits, particularly for those corporate entities with existing relationships with the Army.

We envisage continuous improvement in terms of both tactical and operational activity and outcomes, but intend to maintain strategic continuity over the mid-long term. The delivery of benevolence will remain the binding purpose behind the Charity's activities. The approach to benevolence will continue to be twin track: addressing immediate need; and seeking to attend proactively to the underlying causation. The latter will be achieved through the current holistic programme of grants to delivery organisations, and through identification of potential major projects; noting funding of the latter might, on occasion, be where trustees consider employment of an element of the Charity's reserves. In all of this, coordination with the Armed Forces Covenant Trust (AFCT) and the other single service benevolent funds will be necessary such as to capitalise on the opportunity for greater efficiency and effectiveness in the delivery of outcomes for those in need. This coordination very much is set in context of our position at the heart of the Army's charitable ecosystem and in the wider service charitable sector, working coherently and effectively with the other key charities.

GOVERNANCE STRUCTURES, GOVERNANCE AND MANAGEMENT

REFERENCE AND ADMINISTRATIVE DETAILS

ABF The Soldiers' Charity, formerly the Army Benevolent Fund, is a Company limited by guarantee not having a share capital (Company No. 07974609), governed by the Articles of Association of ABF The Soldiers' Charity. ABF The Soldiers' Charity was incorporated on 2 March 2012 and was registered with the Charity Commission on 14 March 2012 (Charity No. 1146420). It is also registered with the Office of the Scottish Charity Regulator; the registration number is SC039189.

ABF The Soldiers' Charity is governed by the Board of Trustees, which is ultimately responsible for the organisation's strategic direction. The Board of Trustees is assisted by four trustee-led committees: the Governance Committee, which is responsible for governance policies and procedures; the Finance & Investment Committee, which is responsible for oversight of all aspects of ABF The Soldiers' Charity's financial policies and operations; the Grants Committee, which provides direction and scrutiny of all grant-giving; and the Fundraising & Marketing Committee, which provides expert guidance on ABF The Soldiers' Charity's approach to fundraising and marketing.

Trustees are appointed for an initial period of three years, which can be extended for up to two further three-year periods. No trustee can serve for a consecutive period of more than nine years, except when approved by a majority of the other trustees by special resolution.

On appointment, each Trustee undergoes an induction programme tailored to their knowledge and experience. All trustees are offered briefings on charity governance, charity finance and their individual and collective legal responsibilities. A register of trustees' interests is held centrally and trustees are required to disclose all relevant interests, register them with the Secretary to the Board of Trustees, and in accordance with ABF The Soldiers' Charity's policy, withdraw from decisions where a conflict of interest arises. Trustees receive no remuneration or benefits in-kind, but are reimbursed for their expenses as noted in the accounts. Trustees receive and review regular reports from the committees and senior management team. The Board of Trustees met four times in the FY22-23, including their annual, strategy-focused, full day meeting.

The Chief Executive and senior management team are responsible for the day-to-day management of ABF The Soldiers' Charity's affairs and for implementing the strategies and policies agreed by the Board of Trustees.

ABF The Soldiers' Charity provides support for the Army family through a range of other charities and organisations. The trustees are grateful to these bodies, and especially the unpaid caseworkers and other volunteers, without whom we would be unable to meet the needs of our beneficiaries.

The Charity is firmly aligned with the Charity Governance Code, closely adhering to the code's seven principles, applying the recommended practices and thus able continually to demonstrate good governance.

STAFF

Engaged, empowered, and skilled employees remain key to the success of the Charity. As the Charity emerges into the post-pandemic world, our staff's experience and energy are proving invaluable as we adapt our working practices and harness technology to ensure we continue to deliver benevolence effectively, efficiently and compassionately. In FY22-23 the Charity completed a wide-reaching review of its people policies, seeking to ensure that we match the business requirement with the changing requirements and individual expectations of modern business life. As part of this, we have formally adopted flexible and hybrid working patterns, updated our suite of employee benefits, and taken a more systematic approach to training and professional development.

During FY22-23, the Charity employed an average of 78 salaried members of staff, some of whom are part time. The key management personnel for the charity comprise the trustees and the senior management team (see note 10 in the accounts for more information).

REMUNERATION POLICY

Making effective decisions in relation to remuneration and reward is crucial to the continued success of The Soldier's Charity. We aim to pay competitively against our relevant comparators in the voluntary sector. We draw our benchmark data from 'Croner's Charity Rewards', which gives indicative median salaries for all roles and grades from a very wide selection of national charities. All positions in ABF The Soldiers' Charity are assessed and placed within an appropriate generic pay band. Like the Army we support, we believe in the principle that we are all of one company; thus, people doing similar jobs are paid at similar rates and in accordance with the relative complexity and responsibility of the appointment they hold. We do not pay bonuses or retention inducements.

We also aim to enhance the organisation's competitive positioning by promoting a total-reward approach, recognising that other aspects of the employment package (such as

working patterns, benefits and development opportunities, as well as the intrinsic moral value of working for a charity) are also valuable to employees.

REMUNERATION REVIEW AND ANNUAL PAY AWARD

The Board of Trustees decided in FY22-23 to divide the annual pay award into two distinct elements. The first was in the form of a one-off payment of £1,000 gross to all salaried staff in Nov 22, designed to mitigate the effects of the cost of living crisis and based, entirely, on the prevailing economic conditions. The second, in Mar 23, sought to do two things. First, to equalise pay across the Charity's pay bands, noting that, over time, the pay of staff members in some areas of the Charity had fallen behind colleagues in the same band. Second, having equalised pay within bands, to ensure that our Charity's pay rates bore comparison with those across the wider sector and, specifically, with other military charities. The nature of this second award meant that individual pay settlements varied, but the average across the Charity was a 3.5% increase and the cumulative effect of the pay awards was to position our remuneration package competitively against our sector counterparts. This has allowed us to remain competitive, when combined with our revamped benefits offer, in an increasingly contested recruitment marketplace.

In accordance with the Charities Statement of Recommended Practice (Charities SORP), ABF The Soldiers' Charity discloses: all payments to trustees (our trustees do not receive remuneration, but are reimbursed for valid transport and subsistence expenses) and the number of staff in receipt of more than £60,000 in salary and other benefits (note 10).

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of ABF The Soldiers' Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the trustees to prepare the financial statements for each financial year.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group, for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that ABF The Soldiers' Charity will continue in business.

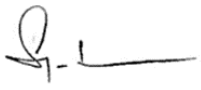
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements have been prepared in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice' applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant material audit information of which the charitable company's auditor is unaware; and
- Trustees have taken the necessary steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees and signed on its behalf on 6th December 2023.



SIMON HEALE
CHAIRMAN

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS AND TRUSTEES OF ABF THE SOLDIERS' CHARITY

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.

We have audited the financial statements of ABF The Soldiers' Charity ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the charity statement of financial activities, the consolidated and charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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.

CONCLUSIONS RELATED TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' 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 Group and the Parent Charitable Company'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 Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OTHER COMPANIES ACT 2006 REPORTING

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant 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.

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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:

NON-COMPLIANCE WITH LAWS AND REGULATIONS

Based on:

- Our understanding of the Group and Parent Charitable Company and the sector in which it operates;
- Discussion with management and those charged with governance, including Audit & Risk Committee, legal counsel and internal audit; and
- Obtaining an understanding of the Group's and the Parent Charitable Company's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities SORP (FRS 102), Charities Act 2011, Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Health and Safety Act 1974, Data Protection Act 2018, Employment Rights Act 1996, and the Bribery Act 2010.

Our procedures in respect of the above included:

- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

FRAUD

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's and Parent Charitable Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be to be journals and key estimates and judgements.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates and judgements made by management for bias, including the recognition of legacy income and the allocation of costs;
- Testing the existence and accuracy of income recognised in the year.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: **frc.org.uk/auditorsresponsibilities.** This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Heather Wheelhouse
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HEATHER WHEELHOUSE
(SENIOR STATUTORY AUDITOR)

For and on behalf of BDO LLP, statutory auditor London, UK

Date: 13 December 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

ABF THE SOLDIERS' CHARITY

Consolidated statement of financial activities (Incorporating the consolidated income and expenditure account) for the year to 31 March 2023

	NOTES	Unrestricted Funds General (note 18) £'000	Unrestricted Funds Designated (note 19) £'000	Restricted Funds (note 20) £'000	**Total 2023** £'000	Total 2022 £'000
Income from:						
Donations and legacies						
The public						
Donations and Appeals Income		3,291	–	–	3,291	2,815
Legacies		2,346	–	–	2,346	3,202
		5,637	–	–	5,637	6,017
Army personnel						
From individuals in Army Units		25	–	–	25	108
Regimental and Corps Benevolent Funds		842	–	–	842	1,059
Army Dependants Trust		765	–	–	765	831
		1,632	–	–	1,632	1,998
Investments	3	504	36	184	724	547
Other trading activities		3,409	–	–	3,409	2,456
Government grants	4	-	–	–	-	139
Total Income		11,182	36	184	11,402	11,157
Expenditure on:						
Raising funds						
Costs of trading activities	5	2,989	–	–	2,989	2,644
Other costs of raising funds	6	2,702	–	–	2,702	2,316
		5,691	–	–	5,691	4,960
Charitable activities						
Grants to Regiments and Corps for the benefit of individuals	7	2,962	6	199	3,167	2,838
Grants to other charities	8	2,788	386	324	3,498	3,433
		5,750	392	523	6,665	6,271
Grant making and other support costs	9	2,274	10	35	2,319	2,156
		8,024	402	558	8,984	8,427
Total expenditure		13,715	402	558	14,675	13,387
Net (expenditure) before net (losses)/ gains on investments		(2,533)	(366)	(374)	(3,273)	(2,230)
Net (losses)/gains on investments	13	(3,419)	–	(577)	(3,996)	8,472
Net (expenditure)/income for the year		(5,952)	(366)	(951)	(7,269)	6,242
Net interest in the results for the year in associates	14	(2)	–	–	(2)	(1)
Net movement in funds		(5,954)	(366)	(951)	(7,271)	6,241
Funds balances at 1 April		71,627	20,612	7,892	100,131	93,890
Funds balances at 31 March		65,673	20,246	6,941	92,860	100,131

ABF THE SOLDIERS' CHARITY

Charity statement of financial activities (Incorporating the income and expenditure account) for the year to 31 March 2023

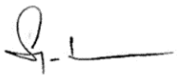
	NOTES	Unrestricted Funds General (note 18) £'000	Unrestricted Funds Designated (note 19) £'000	Restricted Funds (note 20) £'000	**Total 2023** £'000	Total 2022 £'000
Income from:						
Donations and legacies						
The public						
Donations and Appeals Income		3,291	–	–	3,291	2,815
Legacies		2,346	–	–	2,346	3,202
		5,637	–	–	5,637	6,017
Army personnel						
From individuals in Army Units		25	–	–	25	108
Regimental and Corps Benevolent Funds		842	–	–	842	1,059
Army Dependants Trust		765	–	–	765	831
		1,632	–	–	1,632	1,998
Investments	3	504	36	184	724	547
Other trading activities		3,330	–	–	3,330	2,384
Government grants	4	–	–	–	–	139
Total Income		11,103	36	184	11,323	11,085
Expenditure on:						
Raising funds						
Costs of trading activities	5	2,916	–	–	2,916	2,564
Other costs of raising funds	6	2,702	–	–	2,702	2,316
		5,618	–	–	5,618	4,880
Charitable activities						
Grants to Regiments and Corps for the benefit of individuals	7	2,962	6	199	3,167	2,838
Grants to other charities	8	2,788	386	324	3,498	3,433
		5,750	392	523	6,665	6,271
Grant making and other support costs	9	2,266	10	35	2,311	2,151
		8,016	402	558	8,976	8,422
Total expenditure		13,634	402	558	14,594	13,302
Net (expenditure) before net (losses)/ gains on investments		(2,531)	(366)	(374)	(3,271)	(2,217)
Net (losses)/gains on investments	13	(3,419)	–	(577)	(3,996)	8,472
Net (expenditure)/income for the year		(5,950)	(366)	(951)	(7,267)	6,255
Net interest in the results for the year in associates	14	(2)	–	–	(2)	(1)
Net movement in funds		(5,952)	(366)	(951)	(7,269)	6,254
Funds balances at 1 April		71,601	20,612	7,892	100,105	93,851
Funds balances at 31 March		65,649	20,246	6,941	92,836	100,105

ABF THE SOLDIERS' CHARITY

Group and charity balance sheets as at 31 March 2023

		GROUP		CHARITY	
		2023	2022	**2023**	2022
	NOTES	**£'000**	**£'000**	**£'000**	**£'000**
Fixed assets					
Tangible assets	12	53	89	53	89
Investments	13	82,421	87,320	82,421	87,320
Associate undertaking	14	10	12	10	12
		82,484	87,421	82,484	87,421
Current assets					
Stocks		7	5	–	–
Other debtors	15	3,315	5,140	3,315	5,133
Cash at bank and in hand		8,265	8,908	8,232	8,883
		11,587	14,053	11,547	14,016
Creditors amounts falling due within one year	16	(1,211)	(1,343)	(1,195)	(1,332)
Net current assets		10,376	12,710	10,352	12,684
Net assets	17	92,860	100,131	92,836	100,105
Represented by:					
Income funds					
Restricted funds	20	6,941	7,892	6,941	7,892
Unrestricted funds					
Designated funds	19	20,246	20,612	20,246	20,612
General funds	18	65,673	71,627	65,649	71,601
Total Funds		92,860	100,131	92,836	100,105

Approved by the Board of Trustees and signed on their behalf



SIMON HEALE
CHAIRMAN

ANTHONY SCOTT CHARTERED FCSI
HONORARY TREASURER

6th December 2023
Registered in England and Wales, company number 07974609

ABF THE SOLDIERS' CHARITY

Consolidated statement of cash flows for the year to 31 March 2023

	2023	2022
	£'000	£'000
Cash flows from operating activities:		
Net cash (used in) operating activities	(2,262)	(3,647)
Cash flows from investing activities:		
Dividends, interest and rents from investments	724	547
Purchase of equipment	(8)	(19)
Proceeds from the sale of investments	1,000	4,000
Purchase of investments	(97)	(82)
Net cash provided by investing activities	1,619	4,446
Cash flows from financing activities:		
Repayments of borrowing	–	(2,000)
Net cash (used in) financing activities	–	(2,000)
Change in cash in the reporting period	(643)	(1,201)
Cash at the beginning of the reporting period	8,908	10,109
Cash at the end of the reporting period	8,265	8,908

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023	2022
	£'000	£'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(7,269)	6,242
Adjustments for:		
Depreciation charges	44	42
Losses/(gains) on investments	3,996	(8,473)
(Increase) in stocks	(2)	(5)
Decrease/(Increase) in debtors	1,825	(962)
(Decrease)/Increase in creditors	(132)	56
Dividends, interest and rents from investments	(724)	(547)
Net cash used in operating activities	(2,262)	(3,647)

Analysis of cash

	2023	2022
	£'000	£'000
Cash in hand	2,662	4,901
Notice deposits (less than 3 months)	5,603	4,007
Total cash	8,265	8,908

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements have been prepared on a going concern basis under the historical cost convention, unless otherwise stated in the relevant accounting policy note, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)) including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £1,000.

ABF The Soldiers' Charity ('the Charity') has taken advantage of the exemption to prepare a Statement of Cash Flows on the basis that it is a qualifying entity. The consolidated Statement of Cash Flows, within the financial statements, includes the Charity's cash flows.

The Charity constitutes a public benefit entity as defined by FRS 102.

CONSOLIDATION

The financial statements consolidate ABF The Soldiers' Charity and its trading subsidiary company, Soldiers' Trading Limited on a line by line basis.

INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and income from fundraising events are recorded in the financial statements when receivable. Income received from events is recognised in the period in which the event takes place. Income from legacies is taken into the Statement of Financial Activities when received or when receipt is probable, and the value can be measured with sufficient reliability. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. Investment income is recognised when receivable.

Grants are included as income when these are receivable.

COSTS OF RAISING FUNDS

Costs of raising funds comprise those incurred in seeking voluntary income and costs incurred in generating income from trading activities. Fundraising costs include advertising, producing publications, printing, and mailing fundraising material, associated staff costs and an appropriate allocation of support costs.

CHARITABLE EXPENDITURE

Grants payable in furtherance of the Charity's objects are recognised as expenditure in the year in which the grant is formally approved by the Charity and has been communicated to the recipient, except to the extent that it is subject to conditions that enable the Charity to revoke the award. Any refunds of grants are credited to the line in which they were originally allocated in the financial statements.

GRANT MAKING AND OTHER SUPPORT COSTS

Grant making costs are those costs incurred in support of the Charity's primary objective of paying grants to those in need. Other support to charities reflects the support given to other charities in terms of management and staff time; other associated infrastructure costs and in certain circumstances subsidies for accommodation costs for office space occupied at Mountbarrow House. Governance costs represent those costs associated with the governance arrangements of the Charity which relate to the general running of the Charity. Such costs include external audit fees, legal costs, related trustee costs and costs associated with compliance with statutory requirements.

INVESTMENTS IN ASSOCIATES

Investments in associates are measured in accordance with Section 14 of FRS 102 including Update Bulletin 1, 'Investments in Associates'. As such, investments in associates are initially recognised at the transaction price and are subsequently adjusted to reflect the Charity's share of the surplus, other comprehensive income, and equity of the associate.

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. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. The investment portfolio does not acquire put options, derivatives, or other complex financial instruments. The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. All gains and

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2022

1. ACCOUNTING POLICIES (CONTINUED)

losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Rental income is recognised in the period to which it relates.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing more than £1,000 are capitalised and included at cost, including any incidental expenses relating to the acquisition. Depreciation is provided for all tangible fixed assets so as to write off their cost in equal instalments over their expected useful lives as follows:

Computer equipment	3 years
Operating software	8 years
Office furniture and fittings	3-5 years
Leasehold improvements	Over the term of the lease

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

GOING CONCERN

The trustees have assessed whether there are material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees have made this assessment in respect of a period of at least one year from the date of the approval of the financial statements.

The trustees receive forecasts and financial projections that detail variations in the level and timing of future income and funding and have considered the short- and longer-term financial projections and other risks that may affect the Charity. They have considered the key risks that could negatively impact the going concern of ABF The Soldiers' Charity and have considered budgets and forecasts, cashflow projections, reserves levels and contingency and recovery plans. These continue to be regularly monitored by the trustees and senior management team.

The trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The trustees believe that, whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Charity's ability to continue as a going concern. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

LOANS TO BENEFICIARIES

Loans to beneficiaries are concessionary loans provided for the benefit of the Charity's beneficiaries. Such loans are initially recognised and measured at the amount paid, with the carrying amount adjusted at each Balance Sheet date to reflect repayments and any accrued interest, less any impairment.

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.

CASH AT BANK AND IN HAND

Cash at bank and 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.

STOCK

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

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 a transfer of funds to a third party and the amount due to settle the obligation can be measured reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

OPERATING LEASES

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the period of the lease.

PENSION COSTS

Eligible employees are automatically enrolled into a Group Personal Pension scheme which is operated on a contributory basis. The assets of the Group Personal Pension Scheme are held separately from those of the Charity and contributions payable by the Charity are charged in the Statement of Financial Activities in the year in which they are payable.

FOREIGN CURRENCY

Transactions denominated in foreign currencies are recorded at the exchange rates ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are converted to Sterling at the rates of exchange ruling at the balance sheet date. The financial statements of overseas operations are translated to Sterling at the approximate rates of exchange ruling at the balance sheet date. All differences are recorded in the Statement of Financial Activities.

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

1. ACCOUNTING POLICIES (CONTINUED)

VOLUNTEERS

The Charity benefits greatly from the involvement and enthusiastic support of its volunteers. These include our president, trustees, and regional fundraising groups. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not included in the financial statements.

ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgements and estimates are continually evaluated and are based on historical experience as well as other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The matters considered below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cash flows.

A) COST ALLOCATION

Support costs not attributable to a single charitable activity are allocated or apportioned on a basis consistent with identified cost drivers for that cost category. Cost drivers utilised include head count, staff time allocation, and effort and judgement is exercised in applying cost drivers to cost categories.

B) LEGACY INCOME ACCRUAL

Legacy income is recognised in accordance with the income recognition policy. In calculating the level of legacy accrual, management is required to exercise estimation and judgement, particularly in determining the amount and probability of receipt.

GOVERNMENT GRANTS

The Charity joined the flexible furlough scheme in line with business needs to manage the impact of the lockdown on our fundraising activities. Payment received from the government for furloughed employees are a form of grant. This grant money is receivable as a compensation for expenses already incurred and is recognised in income in the period in which it becomes receivable, and the related expenses is incurred.

The Charity repaid the £2m Coronavirus Business Interruption Loan in FY21-22.

2. SUBSIDIARY COMPANY'S RESULTS

SOLDIERS' TRADING LIMITED

Included in Donations and appeals income in Income is general purpose trading income arising in Soldiers' Trading Limited. The results were as follows:

		RESTATED
	2023	2022
	£'000	**£'000**
Turnover	105	111
Cost of Sales	(74)	(61)
Gross Profit	31	50
Administrative expenses	(16)	(13)
Profit on ordinary activities	15	37
Tax on profit	–	(2)
Profit after tax and for the financial year	15	35
Opening retained earnings	35	39
Payment to parent charity under Gift Aid	(26)	(39)
Closing retained earnings	24	35

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

3. INVESTMENT INCOME – GROUP AND CHARITY

	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	**Total 2023**	Total 2022
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Dividends and Distributions	–	–	184	184	177
Bank interest	156	36	–	192	91
	156	36	184	376	268
Rental Income	348	–	–	348	279
Total	504	36	184	724	547

4. GOVERNMENT GRANTS – GROUP AND CHARITY

	2023	2022
	£'000	**£'000**
Government furlough scheme	–	123
Government Business Interruption payment on CBILS	–	16
Total	–	139

Government grants were unrestricted.

5. COSTS OF TRADING ACTIVITIES

	GROUP		**CHARITY**	
	2023	2022	**2023**	2022
	£'000	**£'000**	**£'000**	**£'000**
Fundraising trading costs	1,743	1,503	1,670	1,423
Central and administrative costs	873	782	873	782
Regional office costs	373	359	373	359
Total	2,989	2,644	2,916	2,564

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

6. OTHER COSTS OF RAISING FUNDS - GROUP AND CHARITY

	2023	2022
	£'000	£'000
Other Costs of raising funds	1,202	990
Advertisements and promotion	534	415
Central and administrative costs	284	254
Regional office costs	682	657
Total	2,702	2,316

7. GRANTS FOR THE BENEFIT OF INDIVIDUALS

All grants made for the benefit of soldiers, former soldiers and their immediate families are paid through their parent regimental or corps charities. The total value of these grants made during the year was £3,167k (2022: £2,838k).

8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS

The Charity, on behalf of the partnership of Army charitable funds, makes grants to national charities and occasionally other organisations which support soldiers, former soldiers, and their immediate families.

By the nature of Service charities and other charities supporting serving and former soldiers, many of ABF The Soldiers' Charity's trustees and senior management work closely with, or serve as trustees for, some of the charities listed below that receive grants from us. Where this applies, the trustee or member of the management team will not take part in the grant making decision process.

The total values of the grants made during the year for the Group and Charity were:

	2023	2022
	£'000	£'000
GRANTS FROM GENERAL FUNDS:		
ELDERLY		
Age In Spain	20	20
Broughton House	104	90
Care for Veterans (Queen Alexandra Hospital Home)	124	71
Erskine Hospital	150	150
Royal Cambridge Home	–	19
Royal Commonwealth Ex-Services League	200	200
Royal Hospital Chelsea	100	40
Royal Star & Garter Home	100	70
	798	660

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

	2023	2022
	£'000	£'000
GRANTS FROM GENERAL FUNDS (CONTINUED):		
EMPLOYMENT AND TRAINING		
Buildforce	–	10
Finchale Training College	–	30
Future Terrain	–	10
Heritage Craft Association	14	–
Highground	–	10
Mission Motorsport	27	8
On Course Foundation	1	3
Prisoners Education Trust	20	–
Regular Forces Employment Association (RFEA)	110	120
Sporting Force	10	–
Step Together Volunteering (Worldwide Volunteering)	–	30
The Open University	20	20
The Poppy Factory	10	25
Turn to Starboard (T2S)	30	–
Veterans into Logistics	15	–
X-Forces	24	18
	281	284
FAMILY		
Army Families Federation	58	40
Army Welfare Service	200	–
Army Widows' Association	27	15
COBSEO, The Confederation of Service Charities	28	27
Forces Children Scotland (formerly known as RCET)	26	–
Give Us Time	10	–
Hong Kong LEP Trust	9	9
Ickneild Trust	–	3
Little Troopers/ My Daddy is a Soldier Adventures	–	15
Lord Kitchener Memorial Holiday Centre	10	10
Make Some Noise	15	–
National Gulf Veterans & Families Association	20	–
NSPCC	10	20
QEHB - Fisher House	10	–
Reading Force	20	15
Re-Vitalise	35	30
Ruskin Mill Land Trust	9	–
Scotty's Little Soldiers	20	10
SSAFA Central Office	135	135
SSAFA CMS Costs	73	28
Veterans Scotland	15	15
YMCA Brunel Group (Little Ducklings)	–	8
	730	380

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

	2023	2022
	£'000	£'000
GRANTS FROM GENERAL FUNDS (CONTINUED):		
HOUSING		
Alabaré Christian Care & Support	20	–
Armed Forces & Veterans Launchpad	41	18
Changing Lives (Thirteen Care and Support (Norcare))	27	20
Our Enterprise (Our Wilton)	30	5
Royal British Legion Industries	108	80
Scottish Veterans Residences	14	–
Stoll	47	24
	287	147
WELLBEING		
Anxious Minds	20	–
Armed Forces Equine Charity (formerly Tedworth Equestrian)	24	23
BASIC (Brain and Spinal Injury Centre)	–	13
British Ex-Services Wheelchair Sports Assoc (BEWSA)	7	–
Care after Combat	15	–
Catzero	10	–
Combat Stress	120	70
Community Drug and Alcohol Recovery Services (CDARS)	5	–
Defence Medical Welfare Service	150	150
Firstlight Trust	10	–
Glen Art/Bravehound	–	10
Help 4 Homeless Veterans	–	15
Home Farm Trust	15	–
Highground	15	–
Icarus	20	10
Improving Lives Plymouth	–	10
Jersey Joint Services Veterans Assoc (JJSVA)	8	–
K2CO Ltd (Rosie Kay Dance Company)	15	–
Military Wives Choirs Foundation	20	–
Orchestra of the Swan	10	–
Parachute Regiment 40th Falklands	–	10
Phyllis Tuckwell Hospice	5	5
Poppy Scotland	37	20
Rock2Recovery	–	25
Service Dogs UK	–	20
Spinal Injuries Association	25	30
Style for Soldiers	20	–
Taxi Charity for Military Veterans	18	–
The Bridge for Heroes	10	–
The Gwennili Trust	8	–
The Not Forgotten Association	–	35

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

WELLBEING (CONTINUED)	**2023**	2022
	£'000	**£'000**
The Warrior Programme	30	20
Thistle Health and Wellbeing	–	15
Together Co	10	–
University Hospitals Birmingham (Fisher House)	–	8
Veterans at Ease	5	–
Veterans' Growth	10	–
Veterans Outdoors	10	10
Vine Drop-In Centre	5	5
Walking with The Wounded	-	10
War Widows Association	-	7
Waterloo Uncovered	10	11
We Are With You (formerly Addaction)	25	25
	692	557
Total Grants from General Funds	2,788	2,028
GRANTS FROM DESIGNATED FUNDS:		
EMPLOYMENT EDUCATION AND TRAINING		
Buildforce	–	5
Highground	–	10
Mission Motorsport	–	5
On Course Foundation	3	–
Forces Employment Charity (formerly Regular Forces Employment Association)	50	50
The Poppy Factory	50	15
	83	85
FAMILY		
Army Families Federation	–	5
Army Widows' Association	–	10
AWS – LIBOR Supporting Army Families	–	452
National Gulf Veterans & Families Association	5	–
SSAFA Central Office	65	65
SSAFA CMS Costs	–	50
	70	582

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

	2023	2022
	£'000	£'000
GRANTS FROM DESIGNATED FUNDS (CONTINUED)		
HOUSING		
Alabare Christian Care & Support	5	–
Armed Forces & Veterans Launchpad	5	10
Our Enterprise (Our Wilton)	–	10
Scottish Veterans Residences (SVR)	5	–
Royal British Legion Industries	–	–
Stoll	–	10
	15	30
ELDERLY		
Care for Veterans	10	10
WELLBEING		
Armed Forces Equine Charity (formerly Tedworth Equestrian)	–	10
BASIC (Brain and Spinal Injury Centre)	–	5
British Ex-Services Wheelchair Sports Assoc (BEWSA)	5	–
Combat Stress	100	150
Defence Medical Welfare Service (including LIBOR)	40	40
Firstlight Trust	5	–
Glen Art / Bravehound	–	5
Highground	3	–
Icarus	–	10
Poppy Scotland	20	30
Spinal Injuries Association (SIA)	5	–
The Bridge for Heroes	5	–
The Not Forgotten Association	–	10
The Warrior Programme	10	20
University Hospitals Birmingham (Fisher House)	–	2
Walking With The Wounded	–	5
We Are With You (formerly Addaction)	15	15
	208	302
Total Grants from Designated Funds	386	1,009

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

	2023	2022
	£'000	£'000
GRANTS FROM RESTRICTED FUNDS:		
EMPLOYMENT EDUCATION AND TRAINING		
Mission Motorsport	–	7
On Course Foundation	1	2
Forces Employment Charity (formerly Regular Forces Employment Association)	110	100
The Poppy Factory	48	35
X-Forces	15	20
	174	164
FAMILY		
Army Widows' Association	–	-
National Gulf Veterans and Families Association	15	38
South Atlantic medal Association 1982	–	20
SSAFA Central Office	30	30
	45	88
WELLBEING		
BASIC (Brain and Spinal Injury Centre)	–	2
Combat Stress	30	30
Defence Medical Welfare Service	10	10
Desert Rats Association	–	6
Firstlight Trust	5	–
Highground	3	–
PoppyScotland	7	16
The Bridge for Heroes	5	–
The Not Forgotten Association	–	20
Walking With The Wounded	–	5
The Warrior Programme	10	10
We Are With You (formerly Addaction)	8	–
	78	99
HOUSING		
Alabare Christian Care & Support	5	-
Armed Forces & Veterans Launchpad	-	10
Our enterprise (Our Wilton)	-	5
Royal British Legion Industries	-	20
Scottish Veterans Residences (SVR)	7	-
Stoll	-	10
	12	45

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

	2023	2022
	£'000	£'000
ELDERLY		
Broughton House	15	–
	15	–
Grants from General Funds	2,788	2,028
Grants from Designated Funds	386	1,009
Grants from Restricted Funds	324	396
	3,498	3,433

9. GRANT MAKING AND OTHER SUPPORT COSTS

	GROUP		CHARITY	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Central and administrative costs	1,171	1,090	1,171	1,090
Auditors: Audit fees	51	36	43	31
Trustee expenses	3	2	3	2
Regional Office costs	186	179	186	179
Advertisement and promotion	288	223	288	223
Support costs	554	552	554	552
Other costs	66	74	66	74
	2,319	2,156	2,311	2,151

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

10. STAFF COSTS - GROUP AND CHARITY

TOTAL STAFF COSTS COMPRISED:

	2023	2022
	£'000	£'000
Wages and salaries	3,223	3,111
Social security costs	325	295
Pensions contributions	185	154
	3,733	3,560

The Charity employed an average staff of 78 (10 part-time) (2022: 79 including 11 part-time) of whom 48 (2022: 47) were employed at the Charity's head office. A small number of these individuals were on short-term contracts to cover vacant posts and also from time to time we engage a limited number of contract and agency staff. There is £60k included in staff costs related to settlement (2022: Nil).

The number of employees whose employee benefits exceeded £60,000 was:

	2023	2022
	No.	No.
£60,001 - £70,000	–	1
£70,001 - £80,000	1	1
£80,001 - £90,000	3	4
£90,001 - £100,000	1	–
£110,001 - £120,000	–	1
£120,001 - £130,000	1	–

Pension contributions of £27k (2022: £24k) were made on behalf of eligible higher paid employees.

The key management personnel for the Charity comprise the trustees and the executive board (senior management board). The trustees received no remuneration or benefits-in-kind during the year (2022: £nil). They were reimbursed expenses during the year as stated in note 11.

The total remuneration, including employers pension contributions and employers National Insurance contributions paid to the executive board, amounted to £693k (2022: £745k).

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

11. RELATED PARTY TRANSACTIONS

No trustees have been remunerated for their role as a trustee. Seven trustees were reimbursed £3k for travel expenses which had been directly incurred during the year under review (2022: £2k to seven trustees).

During the year ending 31 March 2023, the Charity charged its subsidiary £5k for management fees relating to Soldiers' Trading Limited's activities (2022: £5k). Soldiers Trading Limited donated £26k to ABF The Soldiers' Charity from its profits (2022: £39k). At 31 March 2023, there was a balance of £3k (2022: £7k) owed to ABF The Soldiers' Charity by Soldiers' Trading Limited.

12. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Leasehold Improvements		Office furniture, fittings & equipment		Total	
	2023	2022	**2023**	2022	**2023**	2022
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost:						
At 1 April	134	134	316	297	450	431
Additions during the year	–	–	8	20	8	20
Disposals during the year	–	–	-	(1)	–	(1)
At 31 March	134	134	324	316	458	450
Depreciation:						
At 1 April	89	62	272	258	361	320
Charge for the year	27	27	17	15	44	42
Disposals for the year	–	–	–	(1)	–	(1)
At 31 March	116	89	289	272	405	361
Net book value at 31 March	18	45	35	44	53	89

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

13. INVESTMENTS – GROUP AND CHARITY

	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Market value 1 April 2022	81,906	–	5,414	87,320
Purchase of investments	97	–	–	97
Sale of investments	(1,000)	–	–	(1,000)
Net losses on investments	(3,419)	–	(577)	(3,996)
Market value 31 March 2023	**77,584**	**–**	**4,837**	**82,421**
Cost				
At 31 March 2023	59,599	–	2,269	61,868
At 31 March 2022	60,346	–	2,269	62,615

All of the investments listed above are held by the Charity, including 100% of the issued share capital of Soldiers' Trading Limited. Both the cost and valuation of this shareholding is £1.

The investment portfolio comprises the following at market value:

	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	**Total**
	£'000	**£'000**	**£'000**	**£'000**
BLACKROCK – ARMED FORCES CHARITIES GROWTH AND INCOME FUND				
Income units	–	–	4,837	4,837
Accumulation units	38,333	–	–	38,333
CCLA – COIF				
Accumulation units	39,251	–	–	39,251
Market value 31 March 2023	**77,584**	**–**	**4,837**	**82,421**

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

14. ASSOCIATES

The Soldiers' Fund (TSF) was incorporated as a tax-exempt charity in the United States in 2012, its primary purpose being to raise funds for British Army personnel, past and present, and their families in times of need. As ABF The Soldiers' Charity can appoint three of the eleven directors of TSF, it is treated as an associate undertaking for the purposes of the consolidated financial statements. The Charity's share of TSF's deficit as at 31 March 2023 was £2k (2022: deficit, £1k). The Charity's share of TSF's net assets was £10k (2022: £12k).

15. OTHER DEBTORS AND PREPAYMENTS

	GROUP		CHARITY	
	2023	2022	**2023**	2022
	£'000	**£'000**	**£'000**	**£'000**
Prepayments and accrued income	3,275	5,041	3,272	5,027
Other debtors	40	99	40	99
Due from subsidiary	–	–	3	7
Total	3,315	5,140	3,315	5,133

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2023	2022	**2023**	2022
	£'000	**£'000**	**£'000**	**£'000**
Deferred income				
At 1 April	853	859	854	859
Arising during the year	786	1,730	786	1,731
Released during the year	(1,264)	(1,736)	(1,265)	(1,736)
At 31 March	375	853	375	854
Trade creditors	232	129	229	125
Accrued expenses	447	341	432	326
Other creditors	157	20	159	27
Total	1,211	1,343	1,195	1,332

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets 2023	Investments and Associates 2023	Net Current Assets 2023	Group Total 2023
	£'000	£'000	£'000	£'000
GROUP:				
General Funds	53	77,594	(11,974)	65,673
Designated Funds				
Afghanistan Fund	–	–	5,999	5,999
Current Operations Fund	–	–	2,247	2,247
Relocation Fund	–	–	12,000	12,000
	–	–	20,246	20,246
Restricted Funds				
Commandos Benevolent	–	–	254	254
DEFLOG VQ Trust	–	–	1,153	1,153
Falklands Fund	–	3,238	135	3,373
George Purse Trust Fund	–	1,599	424	2,023
Gulf Fund	–	–	138	138
	–	4,837	2,104	6,941
	53	82,431	10,376	92,860

	Tangible Fixed Assets 2022	Investments and Associates 2022	Net Current Assets 2022	Group Total 2022
	£'000	£'000	£'000	£'000
GROUP:				
General Funds	89	81,919	(10,381)	71,627
Designated Funds				
Afghanistan Fund	–	–	6,365	6,365
Current Operations Fund	–	–	2,247	2,247
Relocation Fund	–	–	12,000	12,000
	–	–	20,612	20,612
Restricted Funds				
Commandos Benevolent	–	–	254	254
DEFLOG VQ Trust	–	–	1,427	1,427
Falklands Fund	–	3,624	133	3,757
George Purse Trust Fund	–	1,789	443	2,232
Gulf Fund	–	–	222	222
	–	5,413	2,479	7,892
	89	87,332	12,710	100,131

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

	Tangible Fixed Assets 2023	Investments and Associates 2023	Net Current Assets 2023	Charity Total 2023
	£'000	£'000	£'000	£'000
CHARITY:				
General Funds	53	77,594	(11,998)	65,649
Designated Funds				
Afghanistan Fund	–	–	5,999	5,999
Current Operations Fund	–	–	2,247	2,247
Relocation Fund	–	–	12,000	12,000
	–	–	20,246	20,246
Restricted Funds				
Commandos Benevolent	–	–	254	254
DEFLOG VQ Trust	–	–	1,153	1,153
Falklands Fund	–	3,238	135	3,373
George Purse Trust Fund	–	1,599	424	2,023
Gulf Fund	–	–	138	138
	–	4,837	2,104	6,941
	53	82,431	10,352	92,836

	Tangible Fixed Assets 2022	Investments and Associates 2022	Net Current Assets 2022	Charity Total 2022
	£'000	£'000	£'000	£'000
CHARITY:				
General Funds	89	81,919	(10,407)	71,601
Designated Funds				
Afghanistan Fund	–	–	6,365	6,365
Current Operations Fund	–	–	2,247	2,247
Relocation Fund	–	–	12,000	12,000
	–	–	20,612	20,612
Restricted Funds				
Commandos Benevolent	–	–	254	254
DEFLOG VQ Trust	–	–	1,427	1,427
Falklands Fund	–	3,624	133	3,757
George Purse Trust Fund	–	1,789	443	2,232
Gulf Fund	–	–	222	222
	–	5,413	2,479	7,892
	89	87,332	12,684	100,105

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

18. GENERAL FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY

GENERAL FUNDS	GROUP		CHARITY	
	2023	2022	**2023**	2022
	£'000	**£'000**	**£'000**	**£'000**
At 1 April	71,627	32,147	71,601	32,108
Income	11,180	10,946	11,101	10,874
Expenditure	(13,715)	(11,838)	(13,634)	(11,753)
Gains	(3,419)	8,172	(3,419)	8,172
Transfer from the Designated Fund	–	32,200	–	32,200
At 31 March	65,673	71,627	65,649	71,601

19. DESIGNATED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY

	Afghanistan Fund **2023**	Current Operations Fund **2023**	Relocation Fund **2023**	**Total 2023**
	£'000	**£'000**	**£'000**	**£'000**
Income				
Income from charitable activities	–	–	–	–
Income from investments	36	–	–	36
Total income	36	–	–	36
Expenditure				
Grants to other charities	(386)	–	–	(386)
Grants for the benefit of individuals	(6)	–	–	(6)
Grant making and other support costs	(10)	–	–	(10)
Total expenditure	(402)	–	–	(402)
Net (expenditure) before net gains/ (losses) on investments	(366)	–	–	(366)
Net gains/(losses) on investments	–	–	–	–
Net (expenditure) for the year	(366)	–	–	(366)
Transfer to the General Fund	–	–	–	–
Net movement in funds	(366)	–	–	(366)
Fund balances at 1 April	6,365	2,247	12,000	20,612
Fund balances at 31 March	5,999	2,247	12,000	20,246

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

19. DESIGNATED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY (CONTINUED)

	Afghanistan Fund 2022	Current Operations Fund 2022	LIBOR Fund 2022	Strategic Fund 2022	Relocation Fund 2022	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Income from charitable activities	–	–	–	–	–	–
Income from investments	33	–	–	–	–	33
Total income	33	–	–	–	–	33
Expenditure						
Grants to other charities	(425)	(132)	(452)	–	–	(1,009)
Grants for the benefit of individuals	(24)	–	–	–	–	(24)
Grant making and other support costs	(10)	(10)	–	–	–	(20)
Total expenditure	(459)	(142)	(452)	–	–	(1,053)
Net (expenditure) before net gains/ (losses) on investments	(426)	(142)	(452)	–	–	(1,020)
Net gains/(losses) on investments	–	–	–	–	–	–
Net (expenditure) for the year	(426)	(142)	(452)	–	–	(1,020)
Transfer to the General Fund	–	–	–	(32,200)	–	(32,200)
Net movement in funds	(426)	(142)	(452)	(32,200)	–	(33,220)
Fund balances at 1 April	6,791	2,389	452	32,200	12,000	53,832
Fund balances at 31 March	6,365	2,247	–	–	12,000	20,612

Designated Funds, within Unrestricted Funds, are set aside at the discretion of the trustees for specific purposes and time. The Designated Funds now consist of the Current Operations Fund (COF), the Afghanistan Fund and the Relocation Fund (RF).

- The Current Operations Fund was established in 2007 to provide a continuing fund for soldiers, former soldiers, and their dependants in times of need who are suffering distress as a result of military operations being undertaken at that time and all subsequent military operations. It will continue in place until such time as all eligible beneficiaries no longer survive.
- The Afghanistan Fund was set up to support Army families affected by the Afghanistan campaign. Similarly, this will be time limited.
- The Relocation Fund of £12 million, to provide for the anticipated relocation of the Charity's head office when the building lease expires – currently 2025, noting that a formal infrastructure review is underway.
- The LIBOR funding of £3m was set up to deliver better provision of childcare/community facilities for those serving Army families who face particular disadvantage. This project was completed in 2022.
- The Strategic Reserve of £32.2 million, was transferred to the general funds in 2022. The fund was for the delivery of benevolence to the Army family in a more enduring sense, hedging against a significant change in operating conditions or benevolence need.

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

20. RESTRICTED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY

	Commandos Benevolent Fund **2023**	DEFLOG VQ Fund **2023**	Falklands Fund **2023**	George Purse Fund **2023**	Gulf Fund **2023**	**Total 2023**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Income						
Income from charitable activities	–	–	–	–	–	–
Income from investments	–	–	123	61	–	184
Total income	–	–	123	61	–	184
Expenditure						
Grants to other charities	–	(145)	(102)	–	(77)	(324)
Grants for the benefit of individuals	–	(129)	(6)	(63)	(1)	(199)
Grant making and other support costs	–	–	(15)	(15)	(5)	(35)
Total expenditure	–	(274)	(123)	(78)	(83)	(558)
Net (expenditure) before net gains on investments	–	(274)	–	(17)	(83)	(374)
Net losses on investments	–	–	(386)	(191)	–	(577)
Net (expenditure) for the year	–	(274)	(386)	(208)	(83)	(951)
Net movement in funds	–	(274)	(386)	(208)	(83)	(951)
Fund balances at 1 April	254	1,427	3,758	2,231	222	7,892
Fund balances at 31 March	254	1,153	3,372	2,023	139	6,941

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

20. RESTRICTED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY (CONTINUED)

	Commandos Benevolent Fund 2022	DEFLOG VQ Fund 2022	Falklands Fund 2022	George Purse Fund 2022	Gulf Fund 2022	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Income from charitable activities	–	–	–	–	–	–
Income from investments	–	–	119	59	–	178
Total income	–	–	119	59	–	178
Expenditure						
Grants to other charities	–	(165)	(140)	–	(91)	(396)
Grants for the benefit of individuals	–	(55)	(8)	(14)	(5)	(82)
Grant making and other support costs	–	–	(14)	–	(5)	(19)
Total expenditure	–	(220)	(162)	(14)	(101)	(497)
Net (expenditure)/ income before net gains on investments	–	(220)	(43)	45	(101)	(319)
Net gains on investments	–	–	201	99	–	300
Net (expenditure)/ income for the year	–	(220)	158	144	(101)	(19)
Net movement in funds	–	(220)	158	144	(101)	(19)
Fund balances at 1 April	254	1,647	3,600	2,087	323	7,911
Fund balances at 31 March	254	1,427	3,758	2,231	222	7,892

The Restricted Funds consist of:

- The Army Commandos' Benevolent Fund gave the bulk of its winding up funds as a grant to The Soldiers' Charity for the assistance of any such persons who have served in the Commandos and in making grants to charitable organisations which directly or indirectly benefits the persons or dependents of persons who have served in the Commandos. There have been no cases presented this year where an individual met the criteria for eligibility for funding from the Commandos fund.
- The DEFLOG VQ Trust was set up from the funds received from The DEFLOG VQ Trust, which folded into The Soldiers' Charity three years ago. The funds are restricted to advance education and training and to relieve unemployment; and relieve the needs of people who are at risk of becoming socially excluded, through the promotion of social inclusion.
- The Falklands Fund, which exists to meet the needs of soldiers, former soldiers and their dependants who have suffered distress as a result of the Falklands conflict.
- The George Purse Trust Fund which exists to make grants that would not otherwise be provided out of Charity Unrestricted funds to support the welfare needs of ex-Army personnel, dependants and carers residing in the former boundaries of the counties of Glamorgan and Monmouthshire.
- The Gulf Trust (Army and Civilian) Fund, which exists to meet the needs of soldiers, civilian personnel attached to or accompanying the Armed Forces and their dependants who have suffered distress as a result of the Gulf conflict and any continuing operations.

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

21. PENSION COSTS

ABF THE SOLDIERS' CHARITY GROUP PENSION PLAN

Employer contributions to the auto enrolment scheme during the year to 31 March 2023 amounted to £185k (2022: £154k).

There was an outstanding pension contribution of £28k as at 31 March 2023 (2022: £29k).

22. OPERATING LEASE COMMITMENTS

At 31 March 2023 the Charity had future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Land and buildings **2023**	Office machinery **2023**	Vehicles **2023**	Total **2023**
	£'000	**£'000**	**£'000**	**£'000**
Not later than one year	723	12	–	735
Later than one year and not later than five years	888	15	–	903
Later than five years	–	–	–	–
	1,611	27	–	1,638

	Land and buildings 2022	Office machinery 2022	Vehicles 2022	Total 2022
	£'000	**£'000**	**£'000**	**£'000**
Not later than one year	706	12	48	766
Later than one year and not later than five years	1,608	27	47	1,682
Later than five years	–	–	–	–
	2,314	39	95	2,448

The lease between The Soldiers' Charity and Grosvenor Estate Belgravia covers the first, second and third floors at Mountbarrow House.

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

23. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY

	NOTES	Total 2023	Unrestricted Funds General (note 18)	Unrestricted Funds Designated (note 19)	Restricted Funds (note 20)	Total 2022
		£'000	£'000	£'000	£'000	£'000
Income from:						
Donations and legacies						
The public						
Donations and Appeals Income		3,291	2,815	–	–	2,815
Legacies		2,346	3,202	–	–	3,202
		5,637	6,017	–	–	6,017
Army personnel						
From individuals in Army Units		25	108	–	–	108
Regimental and Corps Benevolent Funds		842	1,059	–	–	1,059
Army Dependants Trust		765	831	–	–	831
		1,632	1,998	–	–	1,998
Investments	3	724	337	33	177	547
Other trading activities		3,409	2,456	–	–	2,456
Government grants	4	–	139	–	–	139
Total Income		11,402	10,947	33	177	11,157
Expenditure on:						
Raising funds						
Costs of trading activities	5	2,989	2,644	–	–	2,644
Other costs of raising funds	6	2,702	2,316	–	–	2,316
		5,691	4,960	–	–	4,960
Charitable activities						
Grants to Regiments and Corps for the benefit of individuals	7	3,167	2,733	24	81	2,838
Grants to other charities	8	3,498	2,028	1,009	396	3,433
		6,665	4,761	1,033	477	6,271
Grant making and other support costs	9	2,319	2,117	20	19	2,156
		8,984	6,878	1,053	496	8,427
Total expenditure		14,675	11,838	1,053	496	13,387
Net (expenditure) before net (losses)/gains on investments		(3,273)	(891)	(1,020)	(319)	(2,230)
Net (losses)/gains on investments	13	(3,996)	8,172	–	300	8,472
Net (expenditure)/income for the year		(7,269)	7,281	(1,020)	(19)	6,242
Transfer between funds	18, 19	–	32,200	(32,200)	–	–
Net interest in the results for the year in associates	14	(2)	(1)	–	–	(1)
Net movement in funds		(7,271)	39,480	(33,200)	(19)	6,241
Funds balances at 1 April		100,131	32,147	53,832	7,911	93,890
Funds balances at 31 March		92,860	71,627	20,612	7,892	100,131

ABF THE SOLDIERS' CHARITY

Notes to the financial statements for the year ended 31 March 2023

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(Registered No. 07243995)

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ABF
THE SOLDIERS'
CHARITY

The Army's National Charity

Army Benevolent Fund

England & Wales - Charity number 1146420

Accounts

ABF THE SOLDIERS' CHARITY

The Army's National Charity

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

2021–22

SUPPORT US AND YOU SUPPORT THE WHOLE ARMY FAMILY.

PATRON
Her Majesty The Queen

VICE PATRON
Her Royal Highness The Duchess of Cornwall

PRESIDENT
General Sir James Everard KCB CBE

TRUSTEES

CHAIRMAN
Lieutenant General (Ret'd) Philip Jones CB CBE DL

VICE CHAIRMAN
Simon Martin

MEMBERS
Sarah Booth

Mary Fagan

Rowena Fell

Major General Paul Griffiths
(Appointed November 2021)

Simon Heale

Paul Hearn

David London

Amanda Metcalfe

Warrant Officer Class One Gavin Paton
(The Army Sergeant Major - until August 2021)

Warrant Officer Class One Paul Carney
(The Army Sergeant Major - since August 2021)

James Rous

Anthony Scott

Major General Neil Sexton CB (until November 2021)

Major General (Ret'd) Malcolm Wood CBE

Lisa Worley

SENIOR MANAGEMENT TEAM
Major General (Ret'd) Martin Rutledge CB OBE,
Chief Executive (Retired November 2021)

Major General (Ret'd) Tim Hyams CB OBE,
Chief Executive (Appointed November 2021)

Brigadier (Ret'd) Peter Monteith MBE,
Chief of Staff & Company Secretary

Temidayo Ajakaiye,
Director of Finance

Sean Bonnington,
Director of National Fundraising

Colonel (Ret'd) Kevin Haugh CBE,
Director of Grants and Welfare

Jenny Redman,
Director of Communications and Marketing

Brigadier (Ret'd) Colin Tadier CBE,
Director of Regions

REGISTERED OFFICE
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SW1W 9RB

Telephone: 020 7901 8900
E-mail: info@soldierscharity.org
Website: www.soldierscharity.org

ABF The Soldiers' Charity is an incorporated charity registered with the Charity Commission for England and Wales with Charity No. 1146420, and in Scotland with the Office of the Scottish Charity Regulator with Scottish Charity Register No. SC039189.

ABF The Soldiers' Charity is a company limited by guarantee in England and Wales (07974609) and was incorporated on 2nd March 2012.

Cobseo
The Confederation of Service Charities

ABF THE SOLDIERS' CHARITY
The Army's National Charity

Registered with FUNDRAISING REGULATOR

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WELCOME **FROM THE CHAIRMAN**

This charity was created during the Second World War. Its purpose was to be an enduring cornerstone in the family of military charities, coping with challenge and change by possessing qualities such as stamina, resilience and fortitude.

It was also designed to be agile and nimble by remaining beautifully simple in what it does: raise funds; invest them wisely; and give money directly, generously and quickly to the point of need. In this sense, the period of the COVID-19 pandemic, overlaying significant long-term change in the dynamics of charitable giving, has more than tested ABF The Soldiers' Charity's character and professional capabilities.

I have a biased point of view but, with as much objectivity as I can muster, I believe the charity has coped exceptionally well over the past 24 months or so and is not only emerging from a very difficult period in good health but is well balanced for the future. This is not a note of complacency; there is much hard work to do to stay ahead of multiple risks on the near horizon.

In getting us to this point I pay heartfelt tribute to every single person involved with the charity, professionals and volunteers alike. Leadership has been key. Martin Rutledge, at the end of his ten years of remarkable success, led our people brilliantly during the pandemic. All of us wish him and Hetty every happiness for a very well-deserved retirement. And Tim Hyams has hit the ground running, seeing everything with a fresh pair of eyes and diving headlong with immense positive energy into every aspect of the charity's operation. The Board has complete confidence in Tim's approach.

Right across the charity, every single individual has played their part, and they continue to do so. Cultural atmospherics are really hard to measure for an Annual Report but I can tell you that our people are first class in every respect and they operate together exceptionally well. Imagination,

LIEUTENANT GENERAL (RET'D) PHILIP JONES CB CBE DL
CHAIRMAN

innovation, experimentation and initiative are here in abundance. Reflecting this, one of Tim's most important initiatives is to think very carefully about how we take care of our people as employees, to make sure that our terms, conditions and methods of looking after our staff are as good as they can possibly be within the constraints of our finances.

This has been a demanding 12 months and there is every expectation that the next 12, 24 and 36 months will be equally demanding. All that initiative and innovation is going to be much needed, as is the stamina and resilience. While not feeling at all relaxed about today or tomorrow, the Board does feel that the charity has performed well over the past 12 months; and has continued to succeed against its objectives. This strong and thoroughly positive report reflects that.

"THE BOARD DOES FEEL THAT THE CHARITY HAS PERFORMED WELL OVER THE PAST 12 MONTHS; AND HAS CONTINUED TO SUCCEED AGAINST ITS OBJECTIVES. "

WELCOME
FROM THE CHIEF EXECUTIVE

This is my first Annual Report as Chief Executive, having taken over from Martin Rutledge, who has retired following an impressive 10-year tenure. It is an enormous privilege to be joining ABF The Soldiers' Charity and to build on Martin's significant legacy. On behalf of all at ABF The Soldiers' Charity and our supporters, I would like to thank Martin for all he achieved over his tenure, and to wish him and Hetty all the very best for the adventures that lie ahead.

Having served in the Army for 35 years, I have seen first-hand the impact of the charity's work. As a result, I was drawn instinctively to apply to join an organisation with strong values and a wonderful team of people working within it; which supports the soldiers I have been privileged to spend my adult life serving alongside; and being part of which means one is able to make a contribution to providing a lifetime of support to serving soldiers, former soldiers, and their immediate families when they are in need, such they are afforded the opportunity to avoid hardship and enjoy independence and dignity.

That purpose has not changed since we were founded in 1944 and is enduring. When taken in context of our official status as the Army's national charity, this purpose places us at the very heart of the Army's charitable ecosystem and ensures we occupy a central and appropriately influential position in the wider service charitable sector, working coherently and effectively with the other key charities.

In so doing, and as one of the largest grant makers in the military charity sector, we take a long-term and holistic approach to supporting the entire Army family; both by attending rapidly and responsively to immediate need, and through seeking to address underlying causation.

As a charity, we are clear there is a value in service, and gained from service in the Army, and that the vast majority of the Army family contribute meaningfully to society as a result of the values and skills they have developed during their service. However, the reality is a number of our people sadly fall into need. And when they do, we are here to give them the support they need such they can overcome those difficulties and move forward with their lives.

We are proud to have maintained our grant-making uninterrupted during the period dominated by COVID-19. As we emerge from dealing with the immediacy of the pandemic, we are re-setting to operationalise our strategy through a rolling four-year plan, which has the delivery of benevolence as the binding purpose behind all the charity's activities and allows us to take a longer-term view of how it might best be enabled.

In terms of delivering that benevolence, and in context of the demographic changes in the cohort we support, our assessment is we will see fewer but more complex, long-lasting, and thus resource-intensive cases requiring our support. Through production of a four-year plan and underpinning operating model, and with your continued and generous support, we feel well-placed to respond to that demand as the Army's national charity: determined to be here for soldiers, for life.

"HAVING SERVED IN THE ARMY FOR 35 YEARS, I HAVE SEEN FIRST-HAND THE IMPACT OF THE CHARITY'S WORK. "

OUR VISION

All serving soldiers, veterans and their immediate families should have the opportunity to avoid hardship and enjoy independence and dignity.

OUR OBJECTIVES

Since our formation in 1944, our objectives have been to benefit persons who are serving or who have served in the British Army, or their dependants, in any charitable way by the provision of grants, loans, gifts, pensions or otherwise. We work with veterans of every conflict, from the Second World War to the most recent operations, whether they live in the British Isles or overseas.

01 Our £15,000 grant to Little Troopers funded the charity's "Little Troopers at School" flagship programme, which educates schools about the unique needs and circumstances of serving soldiers' children.

02 Now in his 90's, Vadivel suffers from Alzheimer's disease, including memory loss and immobility. Our £200,000 contribution to the Royal Commonwealth Ex-Services League will help fund the costs of two meals a day so that around 6,000 vulnerable veterans, widows and families - many of them elderly and frail, like Vadivel - can enjoy a healthy diet and stay out of poverty.

03 After completing a deployment to Iraq, Bruce started having problems with his feet caused by a severe case of plantar fasciitis and tendinitis. After years of pain, he was forced to have his legs amputated below the knee. We supported Bruce with funding towards an external platform wheelchair lift at his home.

OUR **MISSION**

We are the Army's national charity, giving a lifetime of support to serving soldiers, former soldiers and their immediate families when they are in need.

PUBLIC **BENEFIT**

When reviewing ABF The Soldiers' Charity's aims and objectives, and when setting grant-making policy and planning for the future, the trustees have carefully considered the Charity Commission's guidance on public benefit. ABF The Soldiers' Charity provides a public benefit in that it supports the Army community, contributing to the defence of the UK and its interests. Through its external grants programme, ABF The Soldiers' Charity also enables other charities to maximise their public benefit, in support of the Army family.

EQUALITY, **DIVERSITY & INCLUSION**

Our charity is committed to championing equality, diversity and inclusion on our Board, amongst our workforce and in all our behaviours. As the Army's national charity, it is vital we remain relevant and reflective of our varied Army community and of society more broadly. We are particularly proud of our diverse workforce, both in the national office and across all 11 regional offices, and are committed to creating a culture where everyone is celebrated, regardless of gender, sexual orientation, disability, ethnic background, nationality, religion or belief. We recognise there is still work to be done and are committed to continuous improvement to ensure we remain best placed to serve the Army community, both here in the UK and around the world.

CHARITABLE ACTIVITIES **OVERVIEW**

As the Army's national charity, the welfare of soldiers, veterans and their immediate families has always been at the heart of everything we do.

Our purpose has remained the same since we were founded in 1944: to ensure that every soldier, past, present and future, can avoid hardship and live with independence and dignity.

In the past year, we have supported around 65,000 members of the Army family in 48 countries across the globe. This has been achieved via our individual grants programme and by providing essential funding for 66 other charities and organisations to enable them to deliver specialist services to the Army family. In addition to these two key grants programmes, we have also funded Army-related casework and the pan-sector digital platform that enables grants to be paid out quickly and securely; and collaborated with key sector stakeholders including the government, other charities and the Army, to ensure we are as well placed as possible to support soldiers, veterans and their immediate families. By supporting us, you truly do support the whole Army family.

In the financial year 2021-22, our charitable expenditure was £8.4m. As one of the largest funders in the military charity sector, our aim is to ensure a complete spectrum of support to the Army family in the areas it is needed most, such as: improving mental fitness; helping Army families; enabling independent living; caring for the elderly; training and education to increase employability; and securing the provision of suitable housing.

The number of grants awarded has increased this year and this was in many cases driven by an increase in demand for support from other charities and organisations that were forced to radically scale back planned activity during FY20-21, due to the pandemic.

As ever, we pride ourselves on acting immediately when help is needed and provide true through-life support, the breadth and variety of which is explained in this publication.

Veterans Outdoors was one of the 66 charities we were proud to support during FY21-22. It aims to improve the mental health and wellbeing of military veterans by providing therapeutic outdoors activities, mentoring and welfare support.

OUR THREE MECHANISMS **FOR PROVIDING SUPPORT**

1

We make grants to individuals, through their regimental and corps charities.

2

We make grants to other charities and organisations that deliver specialist support to soldiers, veterans, and their immediate families.

3

We play a key role in the military welfare ecosystem by: funding organisations that carry out Army-related casework (particularly SSAFA); investing in the Casework Management System (to ensure grants are reviewed and disbursed quickly); and collaborating with and providing advice and support to other military charities and organisations such as Cobseo and Veterans Scotland.

CHARITABLE ACTIVITIES **OVERVIEW**

Supporting the Army family

We are here to help the Army family through life's challenges – whether that involves bereavement, injury, getting back to work, elderly care, and much more besides. Our youngest beneficiary in FY21-22 was a seven-month-old baby and our eldest was 103.

We are never judgemental and we always adopt an integrated approach to the person or family in need of support. Sometimes, an individual in need may receive an initial grant from us, delivered through their regimental or corps charity; then be referred to a specialist charity that we have funded. They may then receive support from other partner charities – with assistance from us at every stage.

Throughout, we rigorously focus on their need and allocate our support accordingly across a wide range of charity partners. We give grants to support other charities both large and small, local and international, depending on our assessment of where the need is. Our grants programme is continually evolving and all cases are based on merit, with rigorous due diligence checks on the impact of and outcomes achieved by our expenditure.

Finally, and crucially, we act with speed. When we are alerted that a person or family needs help, we aim to make the relevant grant within 48 hours.

We are here for the Army family when they need us. Our support is available for soldiers at the start of their careers and continues for life – long after service is over.

In FY21-22 we spent **£8.4M** supporting **65,000** members of the Army family

The youngest person we supported was **SEVEN MONTHS OLD**, the eldest was **103**

We funded **66 OTHER CHARITIES** and organisations that provide support for the Army family

We have supported the British Army family all over the world – in **48 COUNTRIES**

Around **16% OF THE GRANTS** we made to other charities benefited the serving Army

We spend around **£54,000 A WEEK** on grants to individuals

SUPPORTING **COMBAT STRESS**

During FY21-22 we were pleased to award a £250,000 grant to Combat Stress towards its life-changing support for veterans with mental health issues, with a particular focus on complex PTSD.

Clearly, supporting individuals facing these sorts of issues is key and we will continue to do all we can to support those affected. Our longstanding and close relationship with Combat Stress is just one of the ways in which we assist in this complex area of need.

Our grant went towards the charity's provision of a wide range of free services including psychiatric and psychological treatment, substance misuse management, occupational therapy, peer support, family support, and a 24-hour helpline.

By continuing to fund Combat Stress, we enabled support for over 14,000 veterans who benefited from the charity's help between 1st April 2021 and 31st March 2022. During that time, more than 8,200 called the charity's helpline, and over 1,200 veterans directly received support from Combat Stress's specialist staff.

Our grant will help ensure that veterans with complex mental health issues can receive the specialist treatment and support they need to rebuild their lives.

"WE ARE EXTREMELY GRATEFUL TO ABF THE SOLDIERS' CHARITY FOR THEIR COMMITMENT TO ARMY VETERANS. THEIR GENEROUS GRANT WILL ENSURE FORMER SERVICEMEN AND WOMEN WITH COMPLEX MENTAL HEALTH ISSUES CAN RECEIVE THE SPECIALIST TREATMENT AND SUPPORT THEY NEED FROM US TO REBUILD THEIR LIVES."

ROBERT MARSH, DIRECTOR OF FUNDRAISING, COMBAT STRESS

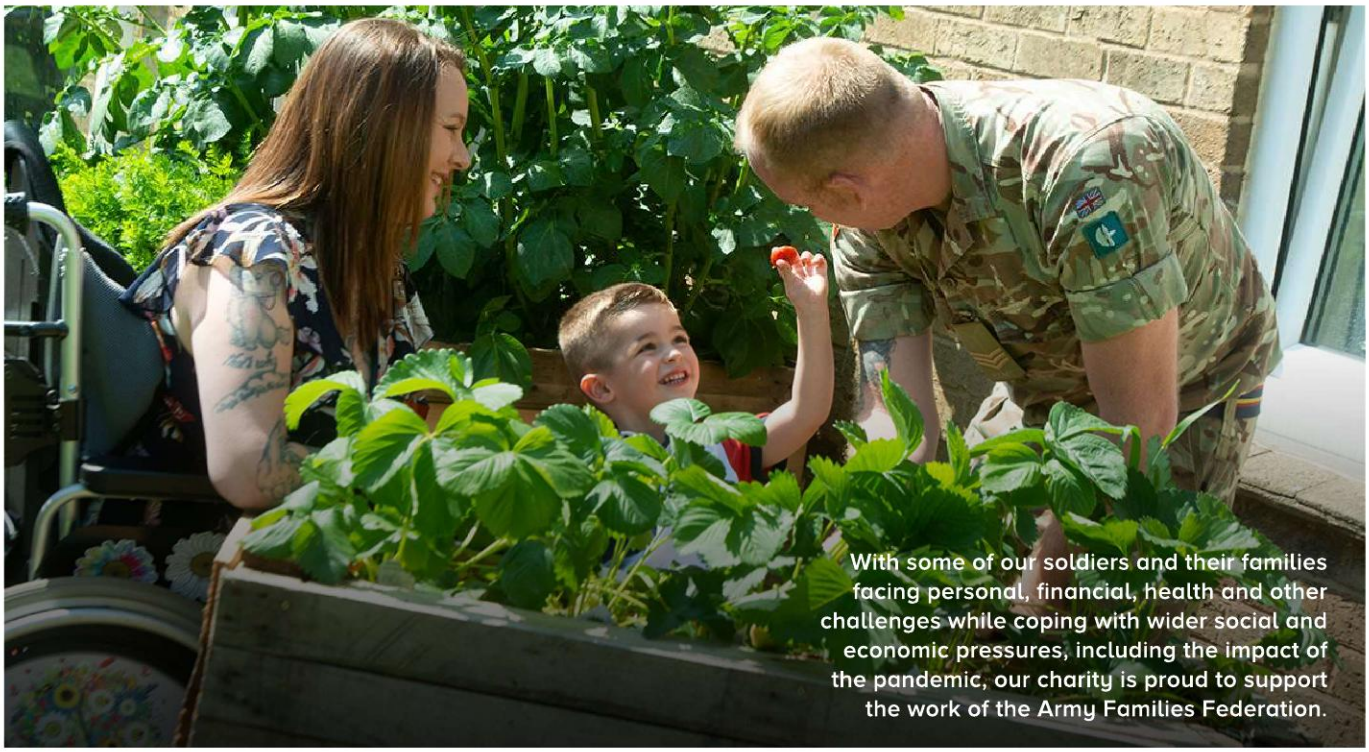
CHARITABLE ACTIVITIES **HELPING ARMY FAMILIES**

We are committed to supporting the immediate families of those who have served their country.

Our support can include everything from helping provide highly specialised equipment for disabled children so they can join in with family activities and increase their quality of life, to covering funeral costs in order to ensure veterans can be buried with dignity. We work hard to ensure Army families are empowered to overcome challenges and move forward with their lives.

As well as supporting immediate family members via our individual grants programme, we also fund numerous other charities and organisations that help Army families on our behalf. We work especially closely with, and fund, the Army Families Federation, which is the independent voice of Army families and works to improve the quality of life for Army families around the world.

Sergeant James Nugent's daughter, Elsie, was diagnosed with spinal muscular atrophy in the early months of her life and has to use a wheelchair all the time. As she grew, James and his wife struggled to lift Elsie and suffered back injuries. We assisted with £12,000 funding towards an extension to their house, mobility equipment and a ramp, so Elsie has a safe and comfortable living space and the family can live together happily.



With some of our soldiers and their families facing personal, financial, health and other challenges while coping with wider social and economic pressures, including the impact of the pandemic, our charity is proud to support the work of the Army Families Federation.

"ELSIE HAS HER OWN SPACE AND INDEPENDENCE AND WE CANNOT THANK YOU ENOUGH; THIS IS TRULY LIFE CHANGING."

SGT JAMES NUGENT, ELSIE'S FATHER

OUR GRANT OF £45,000 enabled the Army Families Federation to continue providing specialist advice to Army families on financial, employment, training and health matters

WE PROVIDED A £10,000 grant to Scotty's Little Soldiers, which helps support children who have experienced the death of a parent who served with the Armed Forces

SUPPORTING LITTLE TROOPERS

Our £15,000 grant to Little Troopers funded the charity's "Little Troopers at School" flagship programme, which educates schools about the unique needs and circumstances of serving soldiers' children and provides resources that teachers can use in the classroom.

Children in Army families often face different daily challenges from other children, especially disruption to their education and other family pressures that can lead to stress and anxiety. We are proud to fund Little Troopers, ensuring our military children's welfare needs are attended to. In 2021, Little Troopers organised workshops in 200 schools, reaching 3,500 children.

"IT IS SO IMPORTANT TO OUR CHARITY THAT MILITARY CHILDREN FEEL RECOGNISED AND SUPPORTED IN THEIR EDUCATION SETTING AND OUR WORKSHOPS AND RESOURCES OFFER SCHOOLS AN ENGAGING AND INTERACTIVE WAY TO DO THIS."

LOUISE FETIGAN, FOUNDER, LITTLE TROOPERS

CHARITABLE ACTIVITIES **INCREASING MENTAL FITNESS**

Supporting the mental health and wellbeing of the Army family is central to our work.

We promote and enable better mental fitness and physical wellbeing so that soldiers, veterans and their immediate families can lead healthy and fulfilling lives.

We provide wide-ranging assistance to ensure that serving and former soldiers, including those with complex mental health conditions, can access specialist treatment and support. This assistance ranges from funding a young soldier to receive counselling for childhood trauma, to enabling an older veteran to access support to help manage the symptoms of PTSD.

In addition to ensuring there is support for people in immediate crisis, we also fund programmes that improve the mental wellbeing of the Army family. This includes funding respite breaks for people who are recovering from an illness, bereavement or other life-affecting event; and initiatives such as Waterloo Uncovered, an innovative battlefield archaeology programme that uses Britain's military past to help veterans recover from life-changing mental and physical injuries while promoting comradeship and a sense of achievement.

SUPPORTING **SERVICE DOGS UK**

Service Dogs UK is the only UK charity that provides the benefit of specially trained assistance dogs to veterans suffering with PTSD. The dogs are trained to help with nightmares, flashbacks, anxiety and panic attacks; a veteran is partnered with a dog and taught how to look after them under the guidance of professional dog trainers.

We were delighted to provide a grant of £20,000 during FY21-22, which helped fund the costs of four Army veterans accessing the charity's 2022 programme.

"AS WE HAVE GROWN, WE HAVE SEEN JUST HOW MUCH THE SYMBIOTIC RELATIONSHIP BETWEEN A "RESCUE" DOG AND A VETERAN WITH PTSD CAN TRANSFORM LIVES."

GARRY BOTTERILL, FOUNDER AND OPERATIONS DIRECTOR, SERVICE DOGS UK

WE HAVE BEEN PROUD TO fund Combat Stress, a key strategic partner, for a number of years and in FY21-22 made a grant of £250,000 towards its life-changing support for veterans with complex mental health issues, including PTSD (see p.11 to read more)

OUR GRANT OF £10,000 enabled Veterans Outdoors to provide a range of outdoor activities and experiences that are proven to improve the mental health of veterans, helping to reduce anxiety, build their confidence and help them find meaning and purpose in their lives again

SUPPORTING WE ARE WITH YOU

Research has shown that alcohol issues are among the most common problems affecting service leavers. Left untreated, veterans can go on to face associated challenges such as unemployment, debt, homelessness and family breakdown. As a charity, we are committed to supporting the mental wellbeing of the Army community and are delighted to continue our partnership with We Are With You to support veterans battling substance dependency.

Our £40,000 grant to We Are With You funded the drugs and alcohol charity's Armed Forces Community Specialist Support Service, helping Army veterans recover from substance misuse. The programme is tailored specifically to veterans' needs and encompasses one-to-one treatment, peer group support and social activities. Last year, We Are With You supported more than 500 veterans.

Veterans have stated that attending the support groups has 'given me my family back' and 'probably kept me out of the criminal justice system'. We Are With You has an excellent track record in reducing the harm to Army families caused by substance misuse-related problems and we are proud to support the charity's specialist work in this area.

CHARITABLE ACTIVITIES **ENABLING INDEPENDENT LIVING**

We aim to provide soldiers and veterans with the means to live independently, with the dignity they deserve.

For some Army veterans, injury, disability and advancing years can make it difficult to remain independent and to stay living in their own homes. We are on hand to support veterans and their families, both young and old, with home adaptations and mobility equipment that enable them to live where they have the best quality of life. Some will require significant support for the rest of their lives and we are here to ensure their needs are met over the long term.

We also award grants to charities and organisations that provide specialist services and support on our behalf. In FY21-22 this included a £20,000 grant to BASIC – the Brain and Spinal Injury Centre, which provides physical rehabilitation and psychological services to veterans with acquired brain and spinal injuries and other neurological conditions.

WE HAVE SUPPORTED THE Spinal Injuries Association for many years and were pleased to make a £30,000 grant this year to provide independent living support to veterans with spinal cord injuries

SUPPORTING **BASIC – THE BRAIN AND SPINAL INJURY CENTRE**

Our £20,000 grant to BASIC will enable the charity to use its virtual reality system to help more veterans with acquired brain and spinal injuries to improve their quality of life. This is

the only such technology available in the UK. BASIC's pioneering rehabilitation treatments reduce veterans' PTSD and trauma symptoms, assisting with their ongoing physical recovery. The computer assisted rehabilitation environment (CAREN) virtual reality system helps veterans speed up their recovery and reduce the impact of injury.

One veteran who received help from BASIC said, "The first day I arrived and spoke to Tara was the first day that I could breathe – suddenly someone understood. Before that, it was hospitals, specialists knowing all about the effects of traumatic brain injury – but now, finally, someone knew the impact on a personal level and the impact on my family."

We are proud to fund BASIC's specialist services, which are not always available on the NHS.

HOW WE HELPED DENZIL

When Argentina invaded the Falkland Islands, Denzil, then aged 25, was a Lance Corporal in the Anti-Tank Platoon, 3rd Battalion, The Parachute Regiment.

During the Battle of Mount Longdon, he came under mortar fire and suffered serious injuries, losing his left leg. In recent years, his steep and uneven driveway was preventing him from leaving his house. We helped fund essential resurfacing work, so Denzil can enjoy life with much greater independence and freedom.

In the past two years (FY20-21 and FY21-22), we have spent almost £240,000 supporting veterans who served in this conflict, and their immediate families, both via grants to individuals and grants to 18 other charities including the Army Widows' Association, The Poppy Factory, Walking With The Wounded, Royal British Legion Industries, Defence Medical Welfare Service, Not Forgotten Association, Falklands Veterans Foundation, SSAFA and the South Atlantic Medal Association 82 (SAMA 82).

CHARITABLE ACTIVITIES
CARE FOR THE ELDERLY

We provide support for soldiers, for life. A cornerstone of our activity is ensuring that elderly veterans and their families have the care they need, long after service has ended.

From providing substantial support to leading care homes for veterans to providing specialist equipment to protect elderly veterans from pain, discomfort and injury – we are here to provide lifelong support for those who have served their country.

We are here for veterans living overseas, as well as in the British Isles. During FY21-22 we awarded a £200,000 grant to the Royal Commonwealth Ex-Services League (RCEL) to support food aid to Commonwealth veterans and their families, many of whom are elderly and frail. Our grant will be used by the RCEL in conjunction with the Foreign Commonwealth and Development Office's overseas aid programme to fund the cost of two meals a day so that around 6,000 vulnerable veterans, widows and families can enjoy a healthy diet and stay out of poverty.

WE AWARDED £50,000 TOWARDS Royal Star & Garter's wellbeing programme, which provides residents at its three care homes with a wide range of social and entertainment activities, exercise, physiotherapy and external support from health experts.

OUR GRANT OF £100,000 TO Royal British Legion Industries will fund a new state of the art dementia care facility for more than 100 elderly veterans living at the charity's village in Kent

SUPPORTING ERSKINE

During FY21-22 we were delighted to award a further £150,000 towards the provision of nursing, dementia and palliative care for Army residents at Erskine's four purpose-built care homes located across Scotland. Our grant will enable Erskine to continue delivering enhanced care and support services for the Army family, including physiotherapy, speech and language therapy, podiatry, hairdressing and a varied programme of daily activities. Such services play a crucial role in ensuring those in Erskine's care can achieve the very best quality of life possible.

Daily life in Erskine's homes is becoming increasingly comparable to life pre-pandemic; and our grant will assist Erskine's efforts to ensure our veterans can continue to enjoy full and meaningful lives despite the exceptional circumstances we have endured over the past two years.

We made a £40,000 grant to the Royal Hospital Chelsea, which will help fund a new indoor leisure activity centre for the pensioners.

CHARITABLE ACTIVITIES
TRAINING AND EDUCATION TO INCREASE EMPLOYABILITY

Most soldiers transition into civilian employment smoothly, but, for some, leaving the Army is a daunting experience. We are here to support those who are in particular need of help.

This includes supporting soldiers who have been wounded, injured or sick and have had to leave the Army through no fault of their own.

We provide bursaries for disabled veterans to attend university; and fund training schemes and workshops for service leavers to embark on rewarding new careers. Our goal is to ensure veterans have the opportunities to put their varied skills and experience to best use.

As well as providing grants to individuals, we fund a range of partner charities and organisations that provide education and employment support to the Army family. This includes our £75,000 grant to The Poppy Factory, to help fund the charity's employment service, which offers face-to-face support to hundreds of veterans annually, significantly improving veterans' confidence, financial security, health and wellbeing.

TO HELP VETERANS keen to work in construction, we awarded £15,000 to BuildForce, which aims to inspire and enable Service leavers to pursue long-term careers in construction by offering practical help and advice

Armed Forces insight day run by BuildForce, one of 66 charities we were proud to support in FY21-22.

OUR £15,000 GRANT
to Mission Motorsport helped veterans gain motorsport skills and employment in the automotive industry

HOW WE HELPED KEITH

Keith enjoyed a successful Army career, serving in Bosnia, Kosovo, Northern Ireland, Afghanistan and Iraq. Then he had equal success running his own business, until addiction and PTSD took their toll. With employment support, 43-year-old Keith has now recovered and embraced a brand-new career in sustainable energy.

While Keith was in rehab, he received support from Caz, an employment consultant from The Poppy Factory, which we fund. Keith says:

"I had a friend working in the renewables industry and it looked like something different that might give me a career. I wanted to be outdoors again doing something that has a positive impact on the environment. I wanted to travel again and do something I found interesting.

"It's a really difficult industry to get into. Training to be able to carry out blade repairs and work as a wind technician is expensive, but Caz helped me apply for funding from ABF The Soldiers' Charity. That was a massive help and the funds came through straight away, with no messing about."

By not only funding The Poppy Factory but also providing an individual grant quickly, we were delighted to assist Keith; and wish him well in his new career.

CHARITABLE ACTIVITIES
ENSURING THE PROVISION OF SUITABLE HOUSING

We are committed to ensuring that soldiers, former soldiers and their families can live in safe and comfortable homes.

The housing needs of veterans and their families are incredibly varied and we are here to support the Army family with the many housing issues they may face. That might involve awarding grants for urgent repairs or helping an individual in financial distress to avoid eviction and homelessness.

During FY21-22 we were also delighted to support charities that specialise in assisting disabled veterans. These included Alabaré, which provides housing and support for disadvantaged veterans; and The Sir Oswald Stoll Foundation (Stoll), which provides affordable, high-quality housing and support services to enable vulnerable and disabled veterans to lead fulfilling, independent lives.

Our £43,567 grant will enable Stoll's support staff to provide specialist mental health care, counselling, debt advice, help with welfare benefits, employment support and domestic care to veterans living in its housing schemes.

WE AWARDED £10,000 to Fisher House, 'a home away from home' for military patients and their families at Queen Elizabeth Hospital Birmingham. To alleviate the financial pressures that may prevent families from regularly visiting the hospital, Fisher House is free to all military families

WE PROVIDED A GRANT OF £15,000 to Help4Homeless Veterans, a Yorkshire charity that assists with housing, rent and living costs for vulnerable veterans

Jools, formerly of the Women's Royal Army Corps, joined the Army aged 17, following in the footsteps of her grandfather, father and brother. She left the Army in the 1980s due to pregnancy. Having divorced, she found herself in a coercive relationship and became homeless. She is now safe, at Weymouth Homes for Veterans, run by Alabaré, which we are proud to fund.

HOW WE HELPED PAUL

Former soldier Paul lost his job and home during the COVID-19 pandemic. With a little help from our charity, he has settled into his new home and is establishing himself as a self-employed photographer.

Paul served in the Royal Engineers during the 1970s, spending most of his time with 59 Independent Commando Squadron. After leaving the Army in 1979 he worked as a self-employed kitchen fitter but lost work when the COVID-19 pandemic struck and subsequently lost his home.

Along with his beloved dog, Wee Jock, Paul resorted to living in his car. During this time, his arthritis worsened, making it impossible for him to return to kitchen fitting.

Our charity was able to step in and help; and Paul is now living in a bungalow with Wee Jock and has turned his lifelong passion for photography into a professional career.

"I'M VERY GRATEFUL FOR THE SUPPORT FROM ABF THE SOLDIERS' CHARITY, WHICH HAS MADE MY TRANSITION FROM HOMELESSNESS EASIER."

PAUL

SUPPORTING THE MILITARY WELFARE ECOSYSTEM

We play a key role, and invest substantially, in the military welfare ecosystem, collaborating with the Army, the government, our sister Service charities (the Royal Naval Benevolent Trust, the Royal Navy and Royal Marines Charity and the Royal Air Force Benevolent Fund), and other charities, to ensure we have a comprehensive picture of need and can guard against duplication of effort.

This financial year we have spent £2.2m on activities that directly enable and support our grant-making programmes; and are key to ensuring soldiers, veterans and their immediate families' needs are met in a timely and effective manner.

FUNDING CASEWORK

All our grants to individuals are made in partnership with the regimental and corps charities and are supported by detailed casework as a key element of our governance procedures. These organisations aim to help all those who currently serve or have served in their respective regiments or corps (including any antecedent regiments/corps) and who find themselves or their dependants in need. We rely on organisations such as SSAFA and The Royal British Legion (TRBL) to undertake casework on our behalf. Both SSAFA and TRBL train volunteers and staff to visit soldiers, veterans and their families and report on the need as they find it, including a review of their financial situation. In FY21-22, we spent £230,000 on behalf of the Army funding SSAFA to ensure that need could be speedily and effectively assessed.

FUNDING THE CASEWORK MANAGEMENT SYSTEM

Nearly all individual grants we make, 3,111 this financial year, are via the presentation of casework on the Casework Management System. This digital platform enables detailed information to be passed securely between regimental and corps charities, caseworkers (such as SSAFA) and grant makers (such as ABF The Soldiers' Charity) – and enables grants to be paid out quickly. This system continues to require substantial investment of both money and staff time from us to ensure data is secure and to guarantee that those in need can have their case assessed and, if appropriate, have a grant disbursed to support them as quickly as possible.

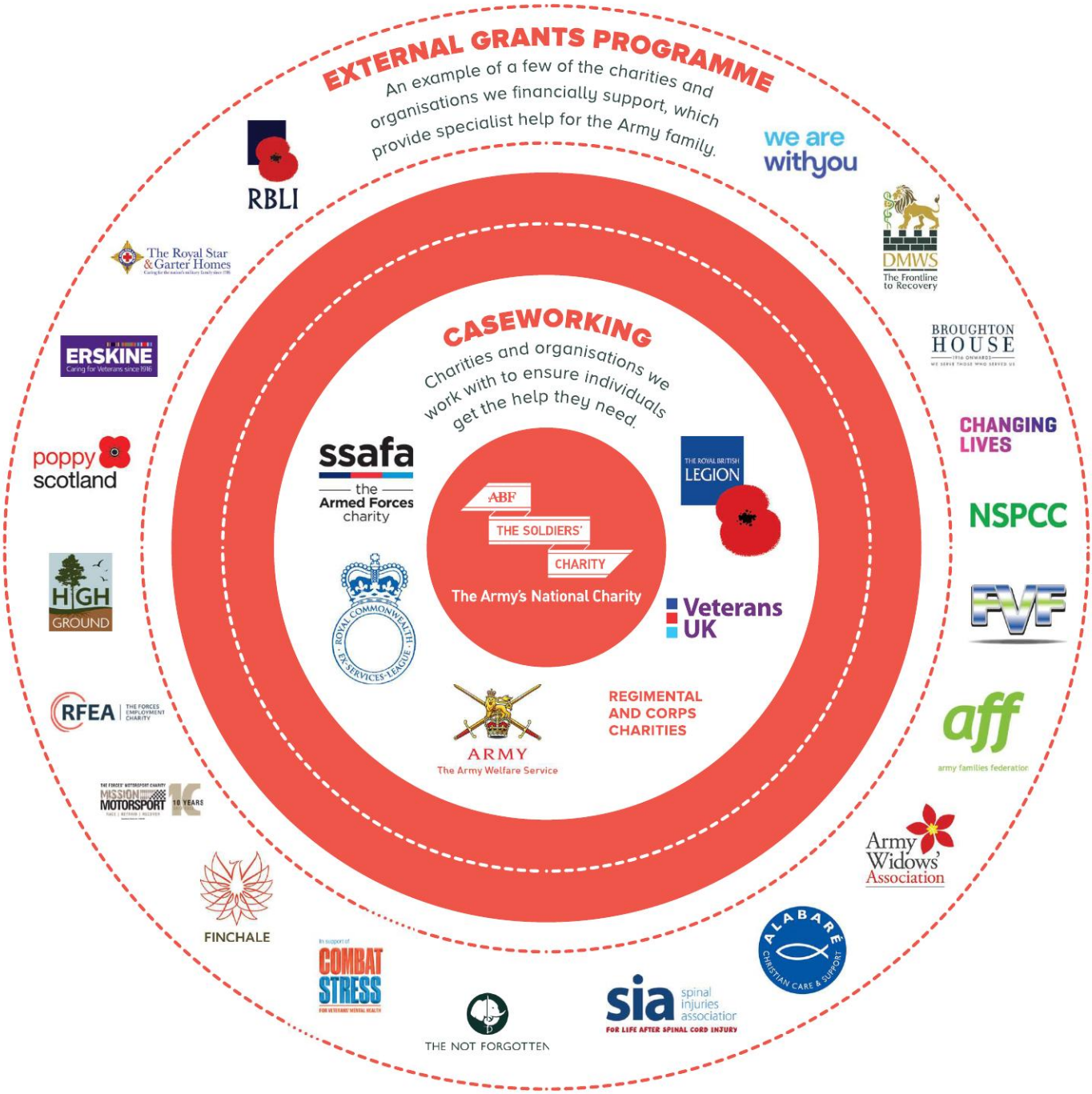
DUE DILIGENCE

Our governance process is at the heart of all we do, and accordingly substantial staff resource is invested in it. Applications from partner charities are assessed by our Grants Committee, which considers the long-term impact of each project, its financial sustainability and organisational credibility prior to reaching a funding decision. Grantees are monitored and evaluated on an annual basis, including regular project visits, which are often trustee-led, to ensure that we fund only the most efficient and effective interventions. These visits also help to provide an overall picture of the military welfare ecosystem and assist us with gauging the 'need' landscape.

ADMINISTERING FUNDS ON BEHALF OF OTHERS

We continue to administer funds on behalf of the nation, such as the Falklands Fund, Gulf Fund and Afghanistan Fund. These primarily provide very long-term support to veterans wounded or injured in those conflicts, as well as their families. These funds are subject to the same governance processes and staff resources, but we have absorbed the costs associated with their management in the interest of efficiency, partnership and collaboration – ensuring that optimal financial support is obtainable and distributed to those in need.

OUR SUPPORT TO THE MILITARY WELFARE ECOSYSTEM



HOW WE HELP: MECHANICS OF BENEVOLENCE

Our grants programme provides a comprehensive package of support to serving and former members of the British Army and their immediate families. Our priority is our individual grants programme, which this year funded 3,111 cases, supporting individuals and family members.

OUR SUPPORT FOR INDIVIDUALS AND FAMILIES: WHO WE HELP

We are proud to support the whole Army family. Those eligible for our help are as follows:

- Members and former members of the Regular Army who have completed adult Basic Training (previously referred to as Phase 1 training). Exceptionally, individuals who are medically discharged as a direct result of an injury sustained during their basic training will also be supported.
- Dependent spouses/civil partners, widows, widowers, children and other immediate family members.

- Members and former members of the Army Reserve (and their dependants as outlined above), providing they have completed one year's satisfactory service, including Basic Training. Exceptionally, we will provide support for a lesser period of service if the death, injury or distress arises from any action or incident while on military duty or the soldier had deployed on a designated operation.

HOW WE HELP

In the case of serving soldiers and their immediate families, the soldier will contact their Unit Welfare Officer, Personnel Recovery Officer, Resettlement Officer, or the Army Welfare Service in the first instance. We then stand ready to assist with funding as appropriate.

Many cases we support relate to veterans and their immediate families. Generally, cases will initially be submitted to the appropriate regimental and corps charity. We provide support through our partnership with these charities, dealing with around half of all cases presented to them.

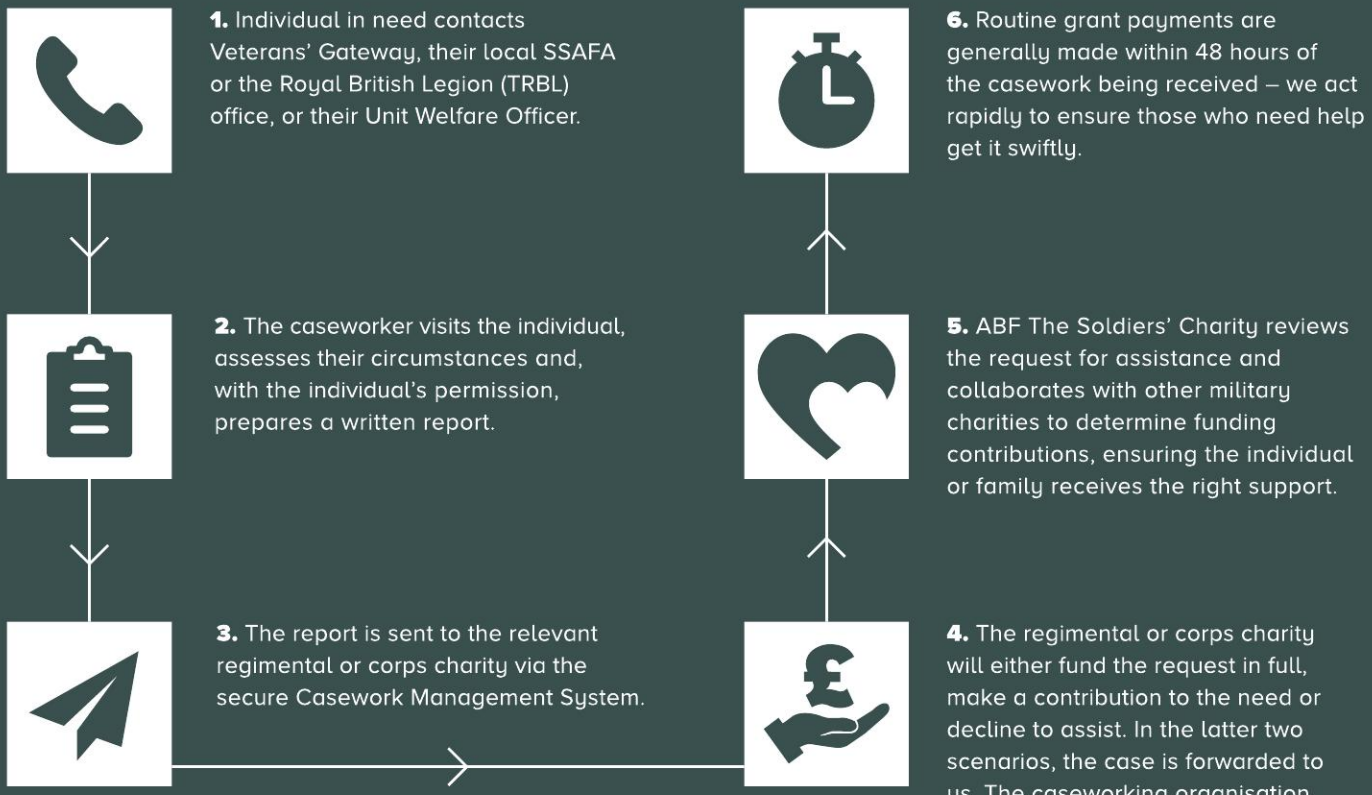
All cases are considered on their merits. Underlying every case is a clearly identified individual case of need that cannot be met by other sources.

COLLABORATION IS KEY

Since 1944, ABF The Soldiers' Charity has worked in partnership with the regimental and corps charities to ensure that all soldiers, past and present, and their immediate families, have equal access to welfare support. Our grants to individuals also depend on the efforts of caseworking organisations such as SSAFA and the Royal British Legion (TRBL), which conduct the casework necessary for us to provide financial assistance. The diagram on the right outlines a typical support pathway for an individual in need of help.

WE ARE ONE OF THE BIGGEST PROVIDERS OF GRANTS TO OTHER CHARITIES AND ORGANISATIONS IN THE MILITARY CHARITY SECTOR.

TYPICAL SUPPORT PATHWAY FOR **AN INDIVIDUAL IN NEED OF HELP**



OUR SUPPORT FOR OTHER CHARITIES AND ORGANISATIONS

Our priority will always be our individual grants programme, but it is important to note that we are one of the biggest providers of grants to other charities and organisations in the military charity sector. Our well-established and substantial grants programme provides vital funding for other charities and organisations that support the Army family.

The range of charities and organisations that we support is extensive and covers every aspect of social care, including but not limited to care for a disabled child, marriage guidance, hospice care, addressing homelessness amongst former soldiers, managing post-traumatic stress disorder and helping disabled soldiers renew their sense of self-worth through sport.

As part of our due diligence processes (outlined on p.24), we have in place established guidelines for applicant charities and organisations. Preference is given to charities and organisations that are members of the Confederation of Service Charities (Cobseo) or Veterans Scotland.

Grant applications are considered individually by our Grants Committee, which includes external sector and subject experts, and confirmed by trustees. In assessing applications, the following are taken into consideration: the governance and trustees of the organisation, the financial viability of the organisation, the degree of need for the project requiring funding, the amount the organisation spends on administration and fundraising compared with charitable activities, and the ability of the charity to gain sufficient funding for the project from other sources.

Finally, as part of our governance procedures, charities or organisations awarded a significant grant are required to complete outcomes reports, so we can gauge the impact of the funds we provide. This year, we funded 66 charities to the tune of £3.4m.

WHERE WE HELP: A GLOBAL FOOTPRINT

Thanks to our supporters, we are able to help the Army family all over the world. The Army continues to recruit extensively from across the Commonwealth and many soldiers and their families later settle overseas, often in places where they have served. In FY21-22, we reached 65,000 people in 48 countries through a combination of grants to individuals and other organisations. A significant proportion of our overseas work is delivered in partnership with the Royal Commonwealth Ex-Services League (RCEL), which assists veterans and their spouses across the Commonwealth.

Here are just some of the ways your support made a difference to soldiers, former soldiers and their families around the world.

KEY

- **Our grants**
- **Grants made through RCEL**
- **Countries where both our grants and grants made through RCEL are delivered**

One of the ways we helped in

COSTA RICA

We awarded a grant to a soldier's widow who needed a new washing machine and fridge to help provide for her two children.

One of the ways we helped in

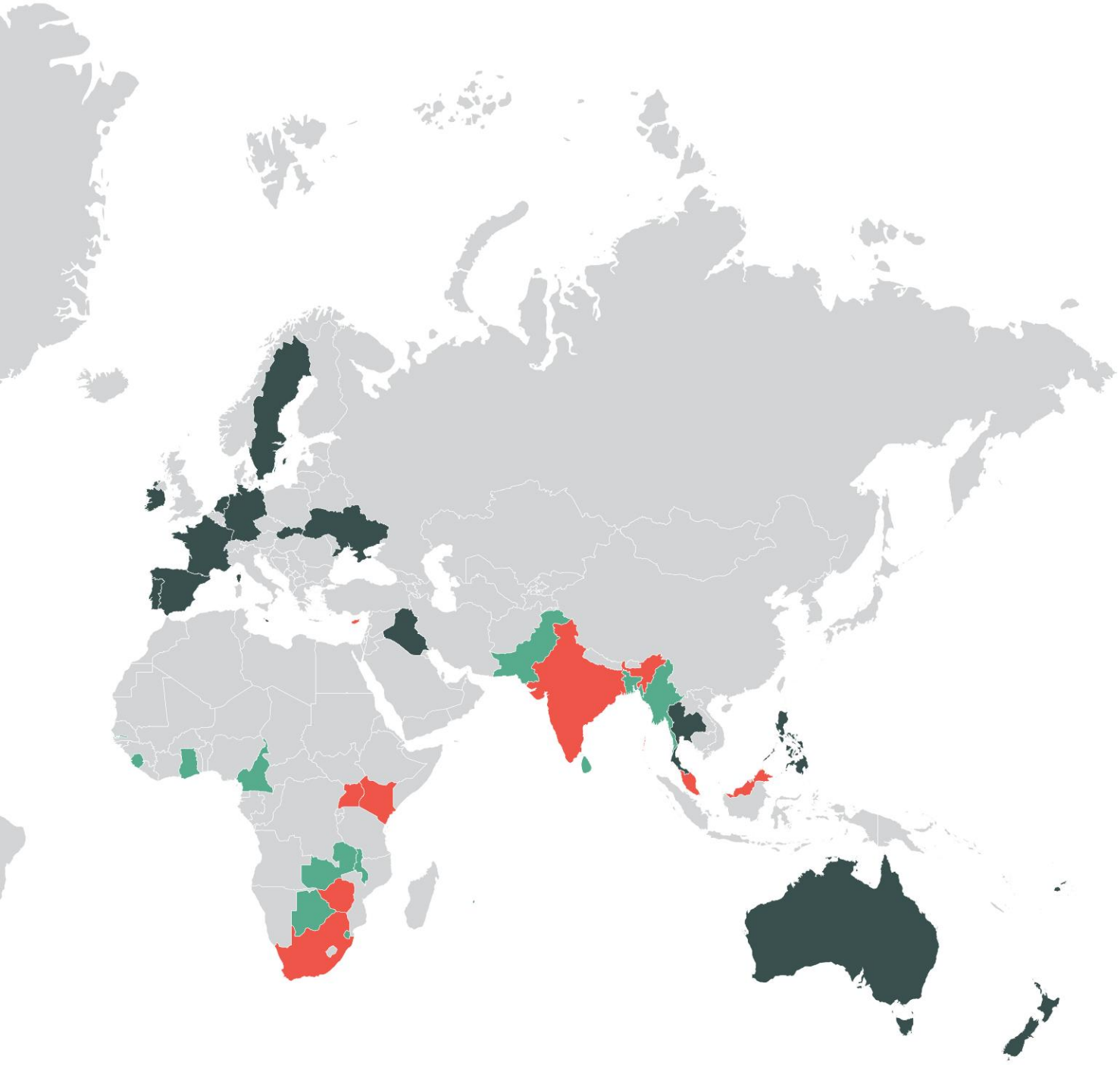
CANADA

We contributed towards living costs for an elderly veteran who was struggling to make ends meet after needing to pay for a new hearing aid.

One of the ways we helped in

SWEDEN

After a veteran died suddenly, leaving his wife to support herself and their teenage daughter, we helped with the cost of his funeral.



One of the ways
we helped in

MALTA

We awarded a grant to cover the basic living costs of a terminally ill veteran, who can no longer support his wife and children.

One of the ways
we helped in the

PHILIPPINES

We helped a veteran's widow and daughter with living costs, as they had been reliant on him financially and, following his death, had been asked to leave their home.

One of the ways
we helped in

AUSTRALIA

We made a contribution towards care costs for a veteran in his 90s, who wished to continue living at home, where he had the best quality of life.

FUNDRAISING

We could not annually assist more than 65,000 members of the Army family across 48 countries without our fantastic supporters. We are extremely grateful to every person and organisation that makes our grant-making possible. The impact of the pandemic during the last year has made this more important than ever.

As with previous years we are extremely grateful for the continued support of those organisations close to the Army family; including the Army Dependants' Trust, which donated almost £1m this year, and the regimental and corps charities, which also contributed nearly £1m.

We are extremely fortunate for the sustained support of our philanthropic donors, including the National Garden Scheme, the Wimbledon Foundation, the Edward Gostling Foundation, the Cadogan Charity, the PF Charitable Trust and the Blavatnik Foundation.

Our corporate support continues through organisations including RIFT, BAE Systems, ESS, Trailfinders, Rolls Royce, General Dynamics and the Betting and Gaming Council. Special thanks go to the Sandringham Royal Warrant Holders, and their past president, Paul Gooding, for nominating us as their chosen charity; and to the Royal Warrant Holders Association Charity Fund, which made a grant towards housing and homelessness.

We have continued to be astounded by the generosity of our other supporters during the past year as the pandemic cast a long shadow over every aspect of our lives. For a second consecutive year, we had to cancel or postpone very many of our physical fundraising events, and have been humbled once more by the number of people who have refused refunds, deferred their places or taken part in one or more of our virtual events. This support has allowed us to maintain our grant giving under the most difficult circumstances any of us could have foreseen.

FUNDRAISING STANDARDS

We adhere to the highest fundraising standards. Our fundraising success is directly related to our reputation and we go to great lengths to protect the public, including vulnerable people, by avoiding any practices that are not in line with ABF The Soldiers' Charity's values.
We are committed to the Fundraising Regulator's Code of Fundraising Practice to ensure we meet the highest standards, so supporters and volunteers can give and fundraise with confidence and trust.

OUR BEHAVIOUR

We promise to always show respect and never pressure anyone to make a donation. We want the decision to give to always be an active choice on the part of the giver and we are particularly sensitive when dealing with vulnerable people. We have a comprehensive supporter-engagement policy, which incorporates all elements of fundraising and associated activities. We do not sell personal details to other charities or other third parties. We only share personal information with suppliers that we engage to process data on our behalf; and such processing is only conducted under formal data processing agreements.

SAFEGUARDING

ABF The Soldiers' Charity is proactively committed to safeguarding children, young people and vulnerable adults with whom staff, or any organisation acting on our behalf, come into contact during fundraising, benevolence or outreach activities. We comprehensively reviewed our safeguarding policy in 2018, taking expert counsel, and we continue to update and improve it, including a full annual trustee review, to ensure it is fully up-to-date and fit for purpose. We take all reasonable care to protect our beneficiaries, supporters and staff, and comply with all relevant legal obligations and statutory guidance. Safeguarding is integral to our recruiting process and all new staff members are DBS checked. There is also a documented procedure for reporting serious incidents to the Charity Commission and relevant statutory bodies. In FY21-22 there were no such matters to report.

ACCESSIBILITY

We make it easy for people to get in touch with us either by phone, letter or email. Whether someone wants to ask a question about our work or how we spend donations, or find out about an event we are organising, or update their communication preferences, we pride ourselves on being responsive and accessible. Over the last year, and including periods of full lockdown, a small skeleton staff has worked from our national headquarters to make absolutely sure mail is opened and phones are answered promptly so nobody is ignored. As you would expect of the Army's national charity, our mantra has very much been to continue

supporting the Army family during these exceptional times – rather than use the pandemic as an excuse for delay or inaction. And, of course, we have a complaints process in place, should any supporter be unhappy or express concerns about our activity; and complaints received this financial year remain at a very low level.

COMPLYING WITH GDPR

The General Data Protection Regulation (GDPR) came into force in May 2018 and was subject to a significant update in the wake of the UK's departure from the EU. In order to take forward the raft of complex and often inter-related technical and procedural issues, our Data Management Working Group meets regularly to resolve issues, agree priorities and impose better coherence on how data is managed within the charity.

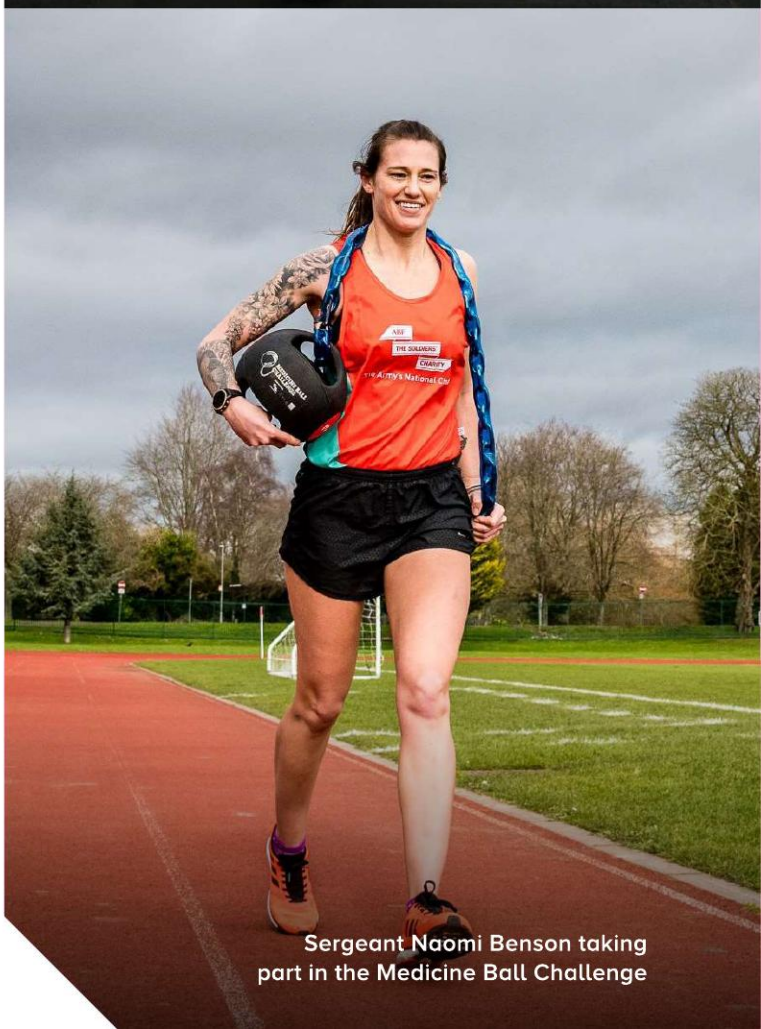
INFORMATION SYSTEMS

We have continued to modernise and raise the standard of our technical processes and infrastructure that support fundraising. In particular we have upgraded our principal CRM, Raiser's Edge, to its much more capable NXT variant. This offers vastly improved capability and also unlocks the door to a sea change in the charity's approach to business intelligence and automation. As we reported last year, this has been achieved without increasing the budget; our highly-skilled IT team has removed the need for costly third-party support. In addition to making efficient use of the Microsoft 365 service suite, we continue to migrate our in-house server holdings to cloud storage and utlilise tech-for-good grants to charities from providers such as Microsoft, Amazon, Google and Nessus. These measures have improved the performance, reliability, security and compliance of our information systems, while reducing capital expenditure.

RELATIONSHIPS WITH AGENCIES AND COMMERCIAL PROVIDERS

We have a small in-house fundraising team and we employ external agencies to add additional expertise or capacity. For example, when we are organising large-scale events, we sometimes use external event-management companies. This is more cost effective than trying to do everything ourselves. We always ensure signed contracts are in place.

Finlay Martin, age 7, helping fundraise for us in Camberley, Surrey



Sergeant Naomi Benson taking part in the Medicine Ball Challenge

FINANCIAL HIGHLIGHTS

OVERVIEW

The past year was understandably subdued for income generation, following the series of lockdowns during the pandemic. Income as shown in the Consolidated Statement of Financial Activities for the year totalled £11.2m (FY20-21: £11.8m), which represents a relatively small decrease of £691k.

This year-on-year decrease is mainly due to a drop in donation income to £2.8m (FY20-21: £3.1m) and a drop in legacy income to £3.2m (FY20-21: £4.2m). Income from the Army, which comprises donations from individuals, Regimental and Corps Benevolent Funds and the Army Dependants' Trust, remained stable at £2m (FY20-21: £2m). Income from trading activities increased to £2.5m (FY20-21: £952k) following a slow return to fundraising activities. The investment income was £547k (FY20-21: £1.4m) as the Charity converted most of its investments from income units to accumulation units to reduce income distributions and provide capital growth over time. Also included within income is government grants of £139k (FY20-21: £188k) received in respect of the Coronavirus Job Retention Scheme and the Business Interruption payment for the interest on the £2m loan.

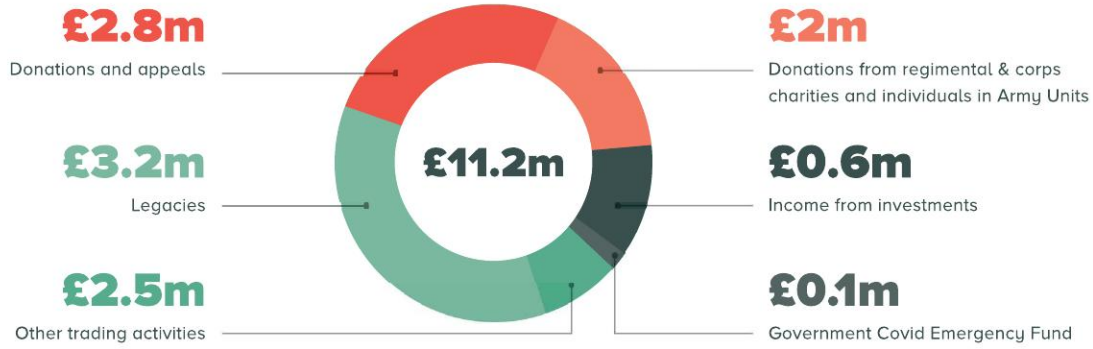
Total charitable expenditure, at £8.4m, represents a slight increase of 2% on last year (FY20-21: £8.3m). The number of individual cases has remained the same, although the needs we are meeting have become complex and interrelated. We are working with other charities to ensure greater coherence and efficiency in our collective delivery of benevolence. In the past year, we provided block grants to 66 (FY20-21: 43) delivery charities and organisations supporting a plethora of areas reaching out to the entire Army community.

The total cost of raising funds increased to £5m (FY20-21: £4m) as we resumed a number of our fundraising activities. These expenditures continue to represent our strategy to invest effectively in voluntary fundraising and donor recruitment.

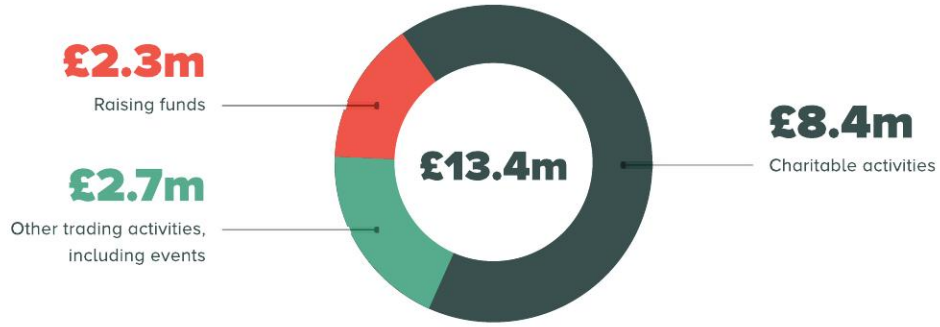
As a result of the slight increase in charitable expenditure, the resumption in a number of fundraising activities and investment in fundraising for the long-term, total expenditure increased by £1.1m to £13.4m (FY20-21: £12.3m). Overall, the accounts for the year ended with a net expenditure of £2.2m (FY20-21: net expenditure of £460k).

September 2021 saw the tenth anniversary of the Cateran Yomp, with hundreds of supporters trekking 54-miles across the Scottish Highlands for the Army family.

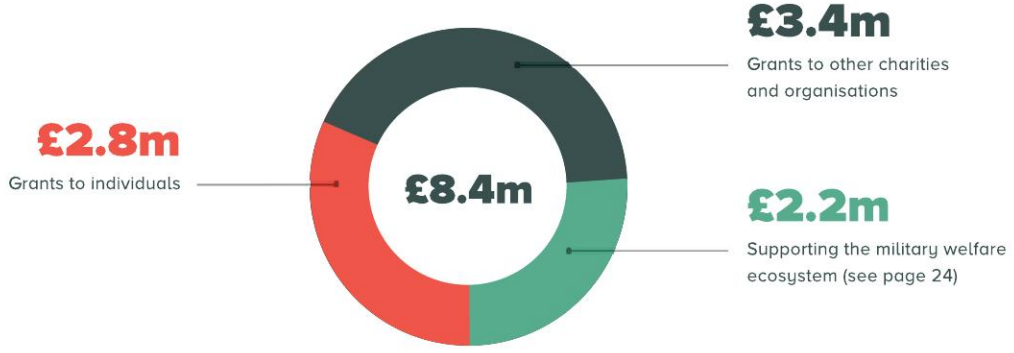
WHERE OUR FUNDING CAME FROM



HOW WE SPENT AND ALLOCATED MONEY



HOW WE SUPPORTED THE ARMY FAMILY



FINANCIAL HIGHLIGHTS (CONTINUED)

INVESTMENT MANAGEMENT

Our overall investment objective is focused on the capital growth of our investments in real terms, with an appropriate return from our income units, noting the Charity has converted most of its investments from income units to accumulation units to reduce income distributions and provide capital growth over time. Funds committed for grant making but not required for expenditure in the short term are invested. At the year end, the Charity held long-term investments with a market value of £87.3m and short-term cash deposits of £4m (FY20-21: £82.8m and £5m respectively).

Our investment performance and holdings are reviewed regularly against our investment objectives and its benchmarks by the Finance & Investment Committee. Our investments are held in line with our investment policy, which lays out guidelines for risk, as well as ensuring there are appropriate ethical policies in place. Each of our investments performed in line with, or better than, its benchmark, and therefore, overall, the trustees were satisfied with this performance.

RESERVES

Our reserve is based on three imperatives:

1. To manage on behalf of the nation a series of designated funds that support veterans who served in particular conflicts, and their immediate family members;

2. To provide an operational reserve to underpin continued delivery of benevolence to the Army family in the immediacy of a 12 to 18-month period; and

3. To provide a strategic reserve for the delivery of benevolence to the Army family in a more enduring sense, hedging against a significant change in operating conditions or benevolence need.

A significant proportion of our funds are ringfenced and administered on behalf of the nation to help veterans and families in need from conflicts such as Afghanistan, the Falklands Conflict and the Gulf War. They will be disbursed over many years until the last eligible soldier or family member are no longer alive.

Our reserves also ensure we can continue delivering benevolence to the Army family in the immediacy of a 12 to 18-month period, should we face a significant fall in income; and that we can deliver benevolence to the Army family in a more enduring sense, the fundamental purpose for which we were established in 1944. Part of this picture includes meeting our responsibility for ensuring the Regimental and Corps charities can provide appropriate benevolence support when called upon, in perpetuity.

Essentially, we need to ensure that the whole Army family's needs can be met, for as long as there is an Army.

RISKS AND UNCERTAINTIES

ABF The Soldiers' Charity has a proactive, thorough and balanced approach to risk management. The Board of Trustees reviews major risks at each meeting and ensures that the senior management team has taken all reasonable measures to manage these risks and has the flexibility to seize opportunities as they appear.

Risks are graded by likelihood and severity and include full descriptions of the actions and measures underway or required to attend to them. Key risks are also monetarised where possible and a suitable amount of the Charity's reserve is annotated as allocated if required. This process allows us to measure the correct amount of operational reserve to hold as well as being a prudent and effective way of managing the risks.

In the event of a major situation involving or otherwise affecting ABF The Soldiers' Charity, business continuity and disaster recovery plans are in place, and were of course fully tested during the COVID-19 pandemic. Trustees also place considerable importance on achieving compliance with employment, health and safety and other relevant legislation.

ABF The Soldiers' Charity's solicitors review the principal charity policies on a regular basis and all other policies are reviewed periodically by the senior management team on at least an annual basis. The key ones, such as Safeguarding and Anti-Fraud, are also annually reviewed by the Board of Trustees.

In the certain knowledge that we will need to continue to provide support to soldiers, veterans and their immediate families for many decades, we regularly update and review our financial plan, reserves and investment policies. Internal financial controls are reviewed by the Finance & Investment Committee on a regular basis.

We have, this year, been able to restart our end-to-end audit process. This allows the Charity dynamically to confirm that its financial and technical control procedures remain effective and fit for purpose or, if they are not, to improve them quickly.

The trustees have declared themselves satisfied that major risks have been identified and adequately mitigated, wherever reasonably practicable. It is

recognised that systems can only provide reasonable not absolute assurance that major risks have been adequately managed

PLANS FOR FUTURE PERIODS

The operating context for the Charity has changed significantly since this time last year when our focus was, necessarily, on navigating our path through lockdown and the depths of the COVID-19 pandemic. Whilst COVID has, probably permanently, changed the way in which British society and government operates, it now is becoming but another routine factor to be considered rather than a driving force in all charitable activity.

However, as one crisis recedes, others have emerged; this perhaps a reflection of a need to accept the operating context has been, and always will be, that of a number of overlapping issues impacting variably and in combination on this charity and society more broadly. In the immediate term those issues centre on an economy where global and national price rises, particularly in energy supplies, resultant from a range of causation have been exacerbated by the impact of the conflict in Ukraine. When combined with the lingering effects of the pandemic, this has led to a particularly challenging fundraising landscape.

We also see changes in the need. Whilst the underlying demands for charitable support continue to be broadly stable, we are seeing increases in areas such as employment support, mental wellbeing, domestic abuse and the position of our non-UK dependency. More broadly, whilst in absolute terms the Army family is reducing in size, the average age of its veterans and their dependents is lowering, and the complexity and duration of need is increasing. Thus, the trend is for the number of individual cases to reduce over time, but for the cost of each case to increase.

That said, we remain in a relatively strong position, reflecting the manner in which we deliberately were set up in 1944 to act as the Army's strategic reserve, or second line of benevolence support, behind the first line activity of the regimental and corps charities. Furthermore, past government decisions deliberately placed the responsibility upon us to manage funds on behalf of the nation; specifically, to ensure near-guaranteed support to communities like the Falkland, Afghanistan and Northern Ireland veterans and families whilst they remain alive, and largely irrespective of any economic turbulence.

As reported last year, part of our relatively robust financial position results from our extremely broad and varied income streams, all of which are showing encouraging, if not yet in all cases convincing, signs of post-COVID recovery. Prudent measures in November 2021 to increase our liquidity provides adequate cash well into the next financial year, and our investments are held in very broad and diverse funds.

Conscious of our role as the Army's strategic reserve for those in need, over the years we deliberately have configured our operations to protect that responsibility. We remain focused entirely on grant making and have no direct delivery responsibilities; we make no grant commitments beyond in-year and we husband our free reserves for the long haul, whilst also being prepared to make strategic interventions where appropriate.

That position affords us the ability to change our operating methods in a considered and systematic way as we emerge from dealing with the immediacy of the pandemic. In so doing, we are clear that the Charity's mission, vision, strategic objectives, and charitable activities provide for a coherent and enduring strategy, which remains underpinned by the Charity's values. The requirement, and the opportunity, is to operationalise that strategy through a rolling four-year plan. That plan will be focused on delivery of the Charity's enduring outputs: delivering benevolence; achieving necessary income generation; and protecting and enhancing our reputation.

In this, delivery of benevolence is the binding purpose behind all the Charity's activities. The approach to benevolence will be twin track: addressing immediate need; and seeking to attend proactively to the underlying causation. The latter will be achieved through the current holistic programme of grants to delivery organisations, and through identification of potential major projects; noting funding of the latter might on occasion be where trustees consider employment of an element of the Charity's reserves. In all of this, coordination with the Armed Forces Covenant Trust (AFCT) and the other single service benevolent funds will be necessary such as to capitalise on the opportunity for greater efficiency and effectiveness in the delivery of outcomes for those in need. This coordination very much is set in context of our position at the heart of the Army's charitable ecosystem and in the wider service charitable sector, working coherently and effectively with the other key charities.

Finally – and noting assured delivery in these areas is non-discretionary – all of this necessarily will be underpinned by a clear focus on governance, operating efficiency, and our people.

GOVERNANCE STRUCTURES, GOVERNANCE AND MANAGEMENT

REFERENCE AND ADMINISTRATIVE DETAILS

ABF The Soldiers' Charity, formerly the Army Benevolent Fund, is a Company limited by guarantee not having a share capital (Company No. 07974609), governed by the Articles of Association of ABF The Soldiers' Charity. ABF The Soldiers' Charity was incorporated on 2 March 2012 and was registered with the Charity Commission on 14 March 2012 (Charity No.1146420). It is also registered with the Office of the Scottish Charity Regulator; the registration number is SC039189.

ABF The Soldiers' Charity is governed by the Board of Trustees, which is ultimately responsible for the organisation's strategic direction. The Board of Trustees is assisted by four trustee-led committees: the Governance Committee, which is responsible for governance policies and procedures; the Finance & Investment Committee, which is responsible for oversight of all aspects of ABF The Soldiers' Charity's financial policies and operations; the Grants Committee, which provides direction and scrutiny of all grant-giving; and the Fundraising & Marketing Committee, which provides expert guidance on ABF The Soldiers' Charity's approach to fundraising and marketing.

Trustees are appointed for an initial period of three years, which can be extended for up to two further three-year periods. No trustee can serve for a consecutive period of more than nine years, except when approved by a majority of the other trustees by special resolution.

On appointment, each trustee undergoes an induction programme tailored to their knowledge and experience. All trustees are offered briefings on charity governance, charity finance and their individual and collective legal responsibilities. A register of trustees' interests is held centrally and trustees are required to disclose all relevant interests, register them with the Secretary to the Board of Trustees, and in accordance with ABF The Soldiers' Charity's policy, withdraw from decisions where a conflict of interest arises. Trustees receive no remuneration or benefits in-kind but are reimbursed for their expenses as noted in the accounts. The trustees are responsible for the strategic direction of ABF The Soldiers' Charity and, through its committees, for monitoring the activities of the executive staff. Trustees receive and review regular reports from the committees and senior management team. The Board of Trustees met four times in the FY21-22, including their annual, strategy-focused, full day meeting.

The Chief Executive and senior management team are responsible for the day-to-day management of ABF The Soldiers' Charity's affairs and for implementing the strategies and policies agreed by the Board of Trustees. ABF The Soldiers' Charity provides support for the Army family through a range of other charities and organisations, as shown on pages 10-23. The trustees are grateful to these bodies, and especially the unpaid caseworkers and other volunteers, without whom we would be unable to meet the needs of our beneficiaries. The charity is firmly aligned with the Charity Governance Code, closely adhering to the code's seven principles, applying the recommended practices and thus able to continually demonstrate good governance.

STAFF

Engaged, empowered and skilled employees remain key to the success of the charity and their value has been demonstrated throughout the last year, coping flexibly and imaginatively with the impact of the pandemic. As the charity emerges into the post-pandemic world, our staff's experience and energy are already proving invaluable as we adapt our working practices and harness technology to ensure we continue to deliver benevolence effectively, efficiently and compassionately. Our charity has also embarked upon a wide-reaching review of its people policies, seeking to ensure that we match the business requirement with the changing requirements and individual expectations of modern business life.

During FY21-22, the charity employed an average 79 salaried members of staff, some of whom were part time. The key management personnel for the charity comprise the trustees and the senior management team (see page 2 for more information).

APPRENTICESHIP LEVY SCHEME

We have contributed to the government's Apprenticeship Levy scheme in FY21-22.

REMUNERATION POLICY

Making effective decisions in relation to remuneration and reward is crucial to the continued success of The Soldier's Charity. We aim to pay competitively against our relevant comparators in the voluntary sector. We draw our benchmark data from 'Croner's Charity Rewards', which gives indicative median salaries for all roles and grades from a very wide selection of national charities. All positions in ABF The Soldiers' Charity are assessed and placed within an appropriate generic pay band, with each pay band divided into increments to allow for job weighting, experience and performance.

We also aim to enhance the organisation's competitive positioning by promoting a total-reward approach, recognising that other aspects of the employment package (such as benefits and development opportunities, as well as the intrinsic moral value of working for a charity) are also valuable to employees.

REMUNERATION REVIEW AND ANNUAL PAY AWARD

The Board of Trustees decided in 2021-22 to divide the annual pay award into two distinct elements. The first was based on staff performance, as evidenced in annual appraisals, whilst recognising the prevailing economic conditions; with the second drawing on inflation index data (HM Treasury and ONS statistics) and comparisons with other charities using the Croner's Charity Rewards index. For both elements, we took note of pay settlements for other military charity sector counterparts. This led to an indicative 3% pay rise, varying slightly depending upon performance, in December 2021; and a further 2.5% cross-the-board increase in March 2022 to take account of inflation, the national insurance increase and the rising costs of living. This compound 5.5% increase allows us to remain competitive in the recruitment marketplace and is just reward for our existing staff given that they had received no pay increase since March 2020.

We continue to pay no performance-related bonuses or retention inducements whatsoever, to any member of staff, irrespective of their position in the organisation. Benefits available to eligible staff include: defined contribution pension scheme; staff travel allowance; group life insurance; and a sickness income protection scheme. In addition, until its cessation in September 2021, the charity continued to take full advantage of the government's flexi-furlough scheme, seeking to continue to bear down on overheads.

In accordance with the Charities Statement of Recommended Practice (Charities SORP), ABF The Soldiers' Charity discloses: all payments to trustees (our trustees do not receive remuneration but are reimbursed for valid transport and subsistence expenses) and the number of staff in receipt of more than £60,000 in salary and other benefits (note 9).

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of ABF The Soldiers' Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the trustees to prepare the financial statements for each financial year.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group, for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that ABF The Soldiers' Charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements have been prepared in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice' applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant material audit information of which the charitable company's auditor is unaware; and
- Trustees have taken the necessary steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Approved by the Board of Trustees and signed on its behalf on 6th July 2022.

LIEUTENANT GENERAL (RET'D)
PHILIP JONES CB CBE DL
CHAIRMAN

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS AND TRUSTEES OF ABF THE SOLDIERS' CHARITY

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.

We have audited the financial statements of ABF The Soldiers' Charity ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the charity statement of financial activities, the consolidated and charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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.

CONCLUSIONS RELATED TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' 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 Group and the Parent Charitable Company'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 Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OTHER COMPANIES ACT 2006 REPORTING

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report..

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006requires us to report to you if, in our opinion:

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to

continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant 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.

Extent to which the audit was capable of detecting irregularities, including fraud.

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 obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the sector within which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error, the Group's compliance with laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and other laws and regulations applicable to the group such as employment law, taxation legislation, data protection and health and safety legislation. We considered financial performance, key performance indicators and other performance targets. We also considered the risks of non-compliance with requirements imposed by the Charity Commission, and other regulators, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

We also communicated relevant identified laws and regulations, potential fraud risks and that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members including internal specialists audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: donations and legacy revenue recognition, events income and furlough claim income.

Our tests included:

- we have reviewed the financial statement disclosures and assessed compliance with applicable laws and regulations;
- we have made enquiries of the Finance & Investment Committee, and management;
- we read the minutes of meetings of those charged with governance and reviewed correspondence with HMRC;
- we reviewed whether any serious incident reports have been submitted to the Charity Commission;
- we have reviewed a sample of gift aid claims and ensured these have been made in accordance with the regulations;
- we have reviewed claims for furlough income to ensure that there was entitlement to the income and that amounts were claimed in accordance with HMRC guidance;
- we have tested the appropriateness of journal entries and other adjustments;
- we have assessed whether judgements in accounting estimates are indicative of potential bias;
- we challenged assumptions made by management in their significant accounting estimates in particular in relation to the legacy accrual and allocation of support costs;
- we have considered the completeness of related party transactions; and
- we have evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business that may indicate risks of material misstatement due to fraud.

As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals, whether there was evidence of bias in accounting estimates by management or the Board that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: **frc.org.uk/auditorsresponsibilities.** This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Heather Wheelhouse
DA15AED75D45453...

HEATHER WHEELHOUSE
(SENIOR STATUTORY AUDITOR)

For and on behalf of BDO LLP, statutory auditor London, UK

Date 08 July 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

ABF THE SOLDIERS' CHARITY

Consolidated statement of financial activities (Incorporating the consolidated income and expenditure account) for the year to 31 March 2022

	NOTES	Unrestricted Funds General (note 18) £'000	Unrestricted Funds Designated (note 19) £'000	Restricted Funds (note 20) £'000	**Total 2022** £'000	Total 2021 £'000
Income from:						
Donations and legacies						
The public						
Donations and Appeals Income		2,815	–	–	2,815	3,148
Legacies		3,202	–	–	3,202	4,175
		6,017	–	–	6,017	7,323
Army personnel						
From individuals in Army Units		108	–	–	108	107
Regimental and Corps Benevolent Funds		1,059	–	–	1,059	964
Army Dependants Trust		831	–	–	831	929
		1,998	–	–	1,998	2,000
Investments	3	337	33	177	547	1,385
Other trading activities		2,456	–	–	2,456	952
Government grants	4	139	–	–	139	188
Total Income		10,947	33	177	11,157	11,848
Expenditure on:						
Raising funds						
Fundraising trading	5	2,644	–	–	2,644	1,760
Other costs of raising funds	6	2,316	–	–	2,316	2,278
		4,960	–	–	4,960	4,038
Charitable activities						
Grants to Regiments and Corps for the benefit of individuals	7	2,733	24	81	2,838	2,632
Grants to other charities	8	2,028	1,009	396	3,433	3,544
		4,761	1,033	477	6,271	6,176
Grant making and other support costs	9	2,117	20	19	2,156	2,094
		6,878	1,053	496	8,427	8,270
Total expenditure		11,838	1,053	496	13,387	12,308
Net (expenditure) before net gains on investments		(891)	(1,020)	(319)	(2,230)	(460)
Net gains on investments	13	8,172	–	300	8,472	16,465
Net income/(expenditure) for the year		7,281	(1,020)	(19)	6,242	16,005
Transfer between funds	18,19	32,200	(32,200)	–	–	–
Net interest in the results for the year in associates	14	(1)	–	–	(1)	(25)
Net movement in funds		39,480	(33,220)	(19)	6,241	15,980
Funds balances at 1 April		32,147	53,832	7,911	93,890	77,910
Funds balances at 31 March		71,627	20,612	7,892	100,131	93,890

ABF THE SOLDIERS' CHARITY

Charity statement of financial activities (Incorporating the income and expenditure account) for the year to 31 March 2022

	NOTES	Unrestricted Funds General (note 18) £'000	Unrestricted Funds Designated (note 19) £'000	Restricted Funds (note 20) £'000	**Total 2022** £'000	Total 2021 £'000
Income from:						
Donations and legacies						
The public						
Donations and Appeals Income		2,815	–	–	2,815	3,148
Legacies		3,202	–	–	3,202	4,175
		6,017	–	–	6,017	7,323
Army personnel						
From individuals in Army Units		108	–	–	108	107
Regimental and Corps Benevolent Funds		1,059	–	–	1,059	964
Army Dependants Trust		831	–	–	831	929
		1,998	–	–	1,998	2,000
Investments	3	337	33	177	547	1,385
Other trading activities		2,384	–	–	2,384	874
Government grants	4	139	–	–	139	188
Total Income		10,875	33	177	11,085	11,770
Expenditure on:						
Raising funds						
Fundraising trading	5	2,564	–	–	2,564	1,684
Other costs of raising funds	6	2,316	–	–	2,316	2,278
		4,880	–	–	4,880	3,962
Charitable activities						
Grants to Regiments and Corps for the benefit of individuals	7	2,733	24	81	2,838	2,632
Grants to other charities	8	2,028	1,009	396	3,433	3,544
		4,761	1,033	477	6,271	6,176
Grant making and other support costs	9	2,112	20	19	2,151	2,088
		6,873	1,053	496	8,422	8,264
Total expenditure		11,753	1,053	496	13,302	12,226
Net (expenditure) before net gains on investments		(878)	(1,020)	(319)	(2,217)	(456)
Net gains on investments	13	8,172	–	300	8,472	16,464
Net income/(expenditure) for the year		7,294	(1,020)	(19)	6,255	16,008
Transfer between funds	18,19	32,200	(32,200)	–	–	–
Net interest in the results for the year in associates	14	(1)	–	–	(1)	(25)
Net movement in funds		39,493	(33,220)	(19)	6,254	15,983
Funds balances at 1 April		32,108	53,832	7,911	93,851	77,868
Funds balances at 31 March		71,601	20,612	7,892	100,105	93,851

ABF THE SOLDIERS' CHARITY

Group and charity balance sheets as at 31 March 2022

		GROUP		CHARITY	
		2022	2021	**2022**	2021
	NOTES	**£'000**	**£'000**	**£'000**	**£'000**
Fixed assets					
Tangible assets	12	89	111	89	111
Investments	13	87,320	82,766	87,320	82,766
Associate undertaking	14	12	12	12	12
		87,421	82,889	87,421	82,889
Current assets					
Stocks		5	–	–	–
Other debtors	15	5,140	4,179	5,133	4,173
Cash at bank and in hand		8,908	10,109	8,883	10,066
		14,053	14,288	14,016	14,239
Creditors amounts falling due within one year	16	(1,343)	(3,287)	(1,332)	(3,277)
Net current assets		12,710	11,001	12,684	10,962
Net assets	17	100,131	93,890	100,105	93,851
Represented by:					
Income funds					
Restricted funds	20	7,892	7,911	7,892	7,911
Unrestricted funds					
Designated funds	19	20,612	53,832	20,612	53,832
General funds	18	71,627	32,147	71,601	32,108
Total Funds		100,131	93,890	100,105	93,851

Approved by the Board of Trustees and signed on their behalf

LIEUTENANT GENERAL (RET'D) PHILIP JONES CB CBE DL
CHAIRMAN

ANTHONY SCOTT CHARTERED FCSI
HONORARY TREASURER

6th July 2022
Registered in England and Wales, company number 07974609

ABF THE SOLDIERS' CHARITY

Consolidated statement of cash flows for the year to 31 March 2022

	2022	2021
	£'000	£'000
Cash flows from operating activities:		
Net cash (used in) operating activities	(3,647)	(656)
Cash flows from investing activities:		
Dividends, interest and rents from investments	547	1,385
Purchase of equipment	(19)	(7)
Proceeds from the sale of investments	4,000	51,975
Purchase of investments	(82)	(47,693)
Net cash provided by investing activities	4,446	5,660
Cash flows from financing activities:		
Repayments of borrowing	(2,000)	–
Cash inflows from new borrowing	–	2,000
Net cash provided by financing activities	(2,000)	2,000
Change in cash in the reporting period	(1,201)	7,004
Cash at the beginning of the reporting period	10,109	3,105
Cash at the end of the reporting period	8,908	10,109

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022	2021
	£'000	£'000
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	6,242	16,005
Adjustments for:		
Depreciation charges	42	41
(Gains) on investments	(8,473)	(16,464)
Increase in stocks	(5)	–
(Increase)/ Decrease in debtors	(962)	908
Increase in creditors	56	239
Dividends, interest and rents from investments	(547)	(1,385)
Net cash used in operating activities	(3,647)	(656)

Analysis of cash

	2022	2021
	£'000	£'000
Cash in hand	4,901	5,104
Notice deposits (less than 3 months)	4,007	5,005
Total cash	8,908	10,109

Analysis of changes in net debt

	At 1 April 2021	Cash flows	At 31 March 2022
	£'000	£'000	£'000
Cash	5,104	(203)	4,901
Notice deposits (less than 3 months)	5,005	(998)	4,007
	10,109	(1,201)	8,908
Loan	(2,000)	2,000	–
	8,109	799	8,908

ABF THE SOLDIERS' CHARITY
Notes to the financial statements
for the year ended 31 March 2022

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements have been prepared on a going concern basis under the historical cost convention, unless otherwise stated in the relevant accounting policy note, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)) including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £1000.

ABF The Soldiers' Charity ('the Charity') has taken advantage of the exemption to prepare a Statement of Cash Flows on the basis that it is a qualifying entity. The consolidated Statement of Cash Flows, within the financial statements, includes the Charity's cash flows.

The Charity constitutes a public benefit entity as defined by FRS 102.

CONSOLIDATION

The financial statements consolidate ABF The Soldiers' Charity and its trading subsidiary company, Soldiers' Trading Limited on a line by line basis.

INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and income from fundraising events are recorded in the financial statements when receivable. Income received from events is recognised in the period in which the event takes place. Income from legacies is taken into the Statement of Financial Activities when received or when receipt is probable, and the value can be measured with sufficient reliability. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. Investment income is recognised when receivable.

Grants are included as income when these are receivable.

COSTS OF RAISING FUNDS

Costs of raising funds comprise fundraising costs and the costs incurred in subsidiary trading company activities. Fundraising costs include advertising, producing publications, printing, and mailing fundraising material, associated staff costs and an appropriate allocation of support costs.

CHARITABLE EXPENDITURE

Grants payable in furtherance of the Charity's objects are recognised as expenditure in the year in which the grant is formally approved by the Charity and has been communicated to the recipient, except to the extent that it is subject to conditions that enable the Charity to revoke the award. Any refunds of grants are credited to the line in which they were originally allocated in the financial statements.

GRANT MAKING AND OTHER SUPPORT COSTS

Grant making costs are those costs incurred in support of the Charity's primary objective of paying grants to those in need. Other support to charities reflects the support given to other charities in terms of management and staff time; other associated infrastructure costs and in certain circumstances subsidies for accommodation costs for office space occupied at Mountbarrow House. Governance costs represent those costs associated with the governance arrangements of the Charity which relate to the general running of the Charity. Such costs include external audit fees, legal costs, related trustee costs and costs associated with compliance with statutory requirements.

INVESTMENTS IN ASSOCIATES

Investments in associates are measured in accordance with Section 14 of FRS 102 including Update Bulletin 1, 'Investments in Associates'. As such, investments in associates are initially recognised at the transaction price and are subsequently adjusted to reflect the Charity's share of the surplus, other comprehensive income, and equity of the associate.

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. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. The investment portfolio does not acquire put options, derivatives, or other complex financial instruments. The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. All gains and

ABF THE SOLDIERS' CHARITY
Notes to the financial statements
for the year ended 31 March 2022

1. ACCOUNTING POLICIES (CONTINUED)

losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Rental income is recognised in the period to which it relates.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing more than £1,000 are capitalised and included at cost, including any incidental expenses relating to the acquisition. Depreciation is provided for all tangible fixed assets so as to write off their cost in equal instalments over their expected useful lives as follows:

Computer equipment	3 years
Operating softwares	8 years
Office furniture and fittings	3-5 years
Leasehold improvements	Over the term of the lease

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

GOING CONCERN

The trustees have assessed whether there are material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees have made this assessment in respect of a period of at least one year from the date of the approval of the financial statements.

The trustees receive forecasts and financial projections that detail variations in the level and timing of future income and funding, and have considered the short- and longer-term financial projections and other risks that may affect the Charity. They have considered the key risks that could negatively impact the going concern of ABF The Soldiers' Charity and have considered budgets and forecasts, cashflow projections, reserves levels and contingency and recovery plans. These continue to be regularly monitored by the trustees and senior management team.

The trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The trustees believe that, whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Charity's ability to continue as a going concern. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

LOANS TO BENEFICIARIES

Loans to beneficiaries are concessionary loans provided for the benefit of the Charity's beneficiaries. Such loans are initially recognised and measured at the amount paid, with the carrying amount adjusted at each Balance Sheet date to reflect repayments and any accrued interest, less any impairment.

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.

CASH AT BANK AND IN HAND

Cash at bank and 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.

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 a transfer of funds to a third party and the amount due to settle the obligation can be measured reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

OPERATING LEASES

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the period of the lease.

PENSION COSTS

Eligible employees are automatically enrolled into a Group Personal Pension scheme which is operated on a contributory basis. The assets of the Group Personal Pension Scheme are held separately from those of the Charity and contributions payable by the Charity are charged in the Statement of Financial Activities in the year in which they are payable.

FOREIGN CURRENCY

Transactions denominated in foreign currencies are recorded at the exchange rates ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are converted to Sterling at the rates of exchange ruling at the balance sheet date. The financial statements of overseas operations are translated to Sterling at the approximate rates of exchange ruling at the balance sheet date. All differences are recorded in the Statement of Financial Activities.

ABF THE SOLDIERS' CHARITY
Notes to the financial statements
for the year ended 31 March 2022

1. ACCOUNTING POLICIES (CONTINUED)

VOLUNTEERS

The Charity benefits greatly from the involvement and enthusiastic support of its volunteers. These include our president, trustees, and regional fundraising groups. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not included in the financial statements.

ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the Trustees are required to make estimates and judgements. The matters considered below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cash flows.

A) COST ALLOCATION

Support costs not attributable to a single charitable activity are allocated or apportioned on a basis consistent with identified cost drivers for that cost category. Cost drivers utilised include head count, staff time allocation, and effort and judgement is exercised in applying cost drivers to cost categories.

B) LEGACY INCOME ACCRUAL

Legacy income is recognised in accordance with the income recognition policy. In calculating the level of legacy accrual, management is required to exercise estimation and judgement, particularly in determining the amount and probability of receipt.

GOVERNMENT GRANTS

The Charity joined the flexible furlough scheme in line with business needs to manage the impact of the lockdown on our fundraising activities. Payment received from the government for furloughed employees are a form of grant. This grant money is receivable as a compensation for expenses already incurred and is recognised in income in the period in which it becomes receivable, and the related expenses is incurred.

The Charity repaid the £2m Coronavirus Business Interruption Loan during the year. The loan interest in the first year was paid as a Business Interruption payment (grant) by the government.

2. SUBSIDIARY COMPANY'S RESULTS

SOLDIERS' TRADING LIMITED

Included in Donations and appeals income in Income is general purpose trading income arising in Soldiers' Trading Limited. The results were as follows:

	2022	2021
	£'000	£'000
Turnover	111	120
Cost of Sales	(72)	(66)
Gross Profit	39	54
Administrative expenses	(13)	(15)
Profit on ordinary activities	26	39
Tax on profit	–	–
Profit after tax and for the financial year	26	39
Opening retained earnings	39	43
Payment to parent charity under Gift Aid	(39)	(43)
Closing retained earnings	26	39

ABF THE SOLDIERS' CHARITY
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3. INVESTMENT INCOME – GROUP AND CHARITY

	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	**Total 2022**	Total 2021
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Dividends and Distributions	–	–	177	177	1,018
Bank interest	58	33	–	91	66
	58	33	177	268	1,084
Rental Income	279	–	–	279	301
Total	337	33	177	547	1,385

A significant reduction in income distributions from investments as the Charity converted most of its investments from income units to accumulation units to provide capital growth.

4. GOVERNMENT GRANTS – GROUP AND CHARITY

	2022	2021
	£'000	**£'000**
Government furlough scheme	123	163
Government Business Interruption payment on CBILS	16	25
Total	139	188

Government grants were unrestricted in the current year.

5. FUNDRAISING TRADING

	GROUP		**CHARITY**	
	2022	2021	**2022**	2021
	£'000	**£'000**	**£'000**	**£'000**
Fundraising trading costs	1,503	679	1,423	603
Central and administrative costs	782	718	782	718
Regional office costs	359	363	359	363
Total	2,644	1,760	2,564	1,684

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6. OTHER COSTS OF RAISING FUNDS - GROUP AND CHARITY

	2022	2021
	£'000	£'000
Other Costs of raising funds	990	954
Advertisements and promotion	415	424
Central and administrative costs	254	234
Regional office costs	657	666
Total	2,316	2,278

7. GRANTS FOR THE BENEFIT OF INDIVIDUALS

All grants made for the benefit of soldiers, former soldiers and their families are paid through their parent regimental or corps associations. The total value of these grants made during the year was £2,838k (2021: £2,632k).

8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS

The Charity, on behalf of the partnership of Army charitable funds, makes grants to national charities and occasionally other organisations which support soldiers, former soldiers, and their immediate families.

By the nature of Service charities and other charities supporting serving and former soldiers, many of The Soldiers' Charity's trustees and senior management work closely with, or serve as trustees for, some of the charities listed below that receive grants from us. Where this applies, the trustee or member of the management team will not take part in the grant making decision process.

The total values of the grants made during the year for the Group and Charity were:

	2022	2021
	£'000	£'000
GRANTS FROM GENERAL FUNDS:		
ELDERLY		
Age In Spain	20	20
Broughton House	90	80
Care for Veterans (Queen Alexandra Hospital Home)	71	60
Erskine Hospital	150	150
Royal Cambridge Home	19	–
Royal Commonwealth Ex-Services League	200	204
Royal Hospital Chelsea	40	40
Royal Star & Garter Home	70	50
	660	604

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Notes to the financial statements
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8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

	2022	2021
	£'000	£'000
GRANTS FROM GENERAL FUNDS (CONTINUED):		
EMPLOYMENT AND TRAINING		
Buildforce	10	–
Finchale Training College	30	–
Future Terrain	10	–
Highground	10	6
Mission Motorsport	8	–
On Course Foundation	3	–
Regular Forces Employment Association (RFEA)	120	67
Resume Foundation	–	15
Step Together Volunteering (Worldwide Volunteering)	30	–
The Open University	20	–
The Poppy Factory	25	20
Walking with the Wounded	–	5
X-Forces	18	20
	284	133
FAMILY		
Army Families Federation	40	30
Army Widows' Association	15	11
COBSEO, The Confederation of Service Charities	27	25
Hong Kong LEP Trust	9	8
Ickneild Trust	3	–
Little Troopers/ My Daddy is a Soldier Adventures	15	–
Lord Kitchener Memorial Holiday Centre	10	–
NSPCC	20	–
Reading Force	15	10
Re-Vitalise	30	–
Royal Caledonian Educational Trust	–	20
Scotty's Little Soldiers	10	–
SSAFA Central Office	135	70
SSAFA CMS Costs	28	83
Veterans Scotland	15	15
YMCA Brunel Group (Little Ducklings)	8	–
	380	272

ABF THE SOLDIERS' CHARITY
Notes to the financial statements
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8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

	2022	2021
	£'000	£'000
GRANTS FROM GENERAL FUNDS (CONTINUED):		
HOUSING		
Alabaré Christian Care & Support	–	20
Armed Forces & Veterans Launchpad	18	23
Changing Lives (Thirteen Care and Support (Norcare))	20	20
Our Enterprise (Our Wilton)	5	–
Royal British Legion Industries	80	226
Stoll	24	25
	147	314
WELLBEING		
BASIC (Brain and Spinal Injury Centre)	13	–
Combat Stress	70	126
Deafblind UK	–	5
Defence Medical Welfare Service	150	45
Fares 4 Free	–	5
Glen Art/Bravehound	10	–
Help 4 Homeless Veterans	15	–
Home Farm Trust	–	15
Icarus	10	–
Improving Lives Plymouth	10	–
Parachute Regiment 40th Falklands	10	–
Phyllis Tuckwell Hospice	5	5
Poppy Scotland	20	30
Rock2Recovery	25	–
Service Dogs UK	20	–
Spinal Injuries Association	30	30
Tedworth Equestrian	23	–
Taxi Charity for Military Veterans	–	10
The Matthew Project	–	10
The Not Forgotten Association	35	30
The Warrior Programme	20	–
Thistle Health and Wellbeing	15	3
University Hospitals Birmingham (Fisher House)	8	5
Veterans Outdoors	10	–
Vine Drop-In Centre	5	–
Walking with The Wounded	10	–
War Widows Association	7	–
Waterloo Uncovered	11	–
We Are With You (formerly Addaction)	25	30
	557	349
Total Grants from General Funds	2,028	1,672

ABF THE SOLDIERS' CHARITY
Notes to the financial statements
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8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

	2022	2021
	£'000	£'000
GRANTS FROM DESIGNATED FUNDS:		
EMPLOYMENT EDUCATION AND TRAINING		
Buildforce	5	–
Highground	10	4
Mission Motorsport	5	–
Regular Forces Employment Association (RFEA)	50	100
The Poppy Factory	15	10
Walking With The Wounded	–	5
X-Forces	–	8
	85	127
FAMILY		
Army Families Federation	5	10
Army Widows' Association	10	10
AWS – LIBOR Supporting Army Families	452	491
National Gulf Veterans & Families Association	–	5
Royal Caledonian Educational Trust	–	9
Scotty's Little Soldiers	–	–
SSAFA Central Office	65	140
SSAFA CMS Costs	50	–
	582	665
HOUSING		
Armed Forces & Veterans Launchpad	10	–
Our Enterprise (Our Wilton)	10	–
Royal British Legion Industries	–	50
Stoll	10	5
	30	55
ELDERLY		
Care for Veterans (Queen Alexandra Hospital Home)	10	–

ABF THE SOLDIERS' CHARITY
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8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

	2022	2021
	£'000	£'000
GRANTS FROM DESIGNATED FUNDS (CONTINUED):		
WELLBEING		
BASIC (Brain and Spinal Injury Centre)	5	–
Combat Stress	150	100
Defence Medical Welfare Service (including LIBOR)	40	594
Fares 4 Free	–	5
Glen Art / Bravehound	5	–
Icarus	10	–
Poppy Scotland	30	20
Tedworth Equestrian	10	–
The Matthew Project	–	5
The Not Forgotten Association	10	–
The Warrior Programme	20	–
University Hospitals Birmingham (Fisher House)	2	5
Walking With The Wounded	5	–
We Are With You (formerly Addaction)	15	–
	302	729
Total Grants from Designated Funds	1,009	1,576
GRANTS FROM RESTRICTED FUNDS:		
EMPLOYMENT EDUCATION AND TRAINING		
Mission Motorsport	7	–
On Course Foundation	2	–
Regular Forces Employment Association (RFEA)	100	100
The Poppy Factory	35	30
Walking With The Wounded	–	5
X-Forces	20	8
	164	143
FAMILY		
Army Widows' Association	–	4
National Gulf Veterans and Families Association	38	25
South Atlantic medal Association 1982	20	–
SSAFA Central Office	30	20
	88	49

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8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

	2022	2021
	£'000	£'000
GRANTS FROM RESTRICTED FUNDS (CONTINUED):		
WELLBEING		
BASIC (Brain and Spinal Injury Centre)	2	–
Combat Stress	30	24
Defence Medical Welfare Service	10	20
Desert Rats Association	6	–
Falklands Veterans Association	–	10
Fares 4 Free	–	5
PoppyScotland	16	15
The Not Forgotten Association	20	–
Thistle Health & Wellbeing	–	5
Walking With The Wounded	5	–
The Warrior Programme	10	–
	99	79
HOUSING		
Armed Forces & Veterans Launchpad	10	–
Our enterprise (Our Wilton)	5	–
Royal British Legion Industries	20	25
Stoll	10	–
	45	25
Total Grants from Restricted Funds	396	296
Grants from General Funds	2,028	1,672
Grants from Designated Funds	1,009	1,576
Grants from Restricted Funds	396	296
	3,433	3,544

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9. GRANT MAKING AND OTHER SUPPORT COSTS

	GROUP		CHARITY	
	2022	2021	**2022**	2021
	£'000	**£'000**	**£'000**	**£'000**
Central and administrative costs	1,090	1,002	1,090	1,002
Auditors: Audit fees	36	36	31	30
Trustee expenses	2	2	2	2
Regional Office costs	179	182	179	182
Advertisement and promotion	223	228	223	228
Support costs	552	570	552	570
Other costs	74	74	74	74
Total	2,156	2,094	2,151	2,088

10. STAFF COSTS - GROUP AND CHARITY

	2022	2021
	£'000	**£'000**
TOTAL STAFF COSTS COMPRISED:		
Wages and salaries	3,111	3,314
Social security costs	295	312
Pensions contributions	154	165
	3,560	3,791

The Charity employed an average staff of 79 (11 part-time) (2021: 85 including 11 part-time) of whom 41 (2021: 44) are employed at the Charity's head office. A small number of these individuals are on short-term contracts to cover vacant posts and also from time to time we engage a limited number of contract and agency staff. There were no redundancy or termination payments during the year (2021: £14k).

The number of employees whose employee benefits exceeded £60,000 was;

	2022	2021
	No.	No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	4	3
£90,001 - £100,000	–	1
£110,001 - £120,000	1	–
£140,001 - £150,000	–	1

Pension contributions of £24k (2021: £21k) were made on behalf of eligible higher paid employees.

ABF THE SOLDIERS' CHARITY
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10. STAFF COSTS - GROUP AND CHARITY (CONTINUED)

The key management personnel for the Charity comprise the trustees and the executive board (senior management board). The trustees received no remuneration or benefits-in-kind during the year (2021: £nil). They were reimbursed expenses during the year as stated in note 11.

The total remuneration including employers pension contributions and employers National Insurance contributions paid to the executive board amounted to £745k (2021: £726k).

11. RELATED PARTY TRANSACTIONS

No trustees have been remunerated for their role as a trustee. Seven trustees were reimbursed £2k for travel expenses which had been directly incurred during the year under review (2021: £2k to five trustees).

During the year ending 31 March 2022, the Charity charged its subsidiary £5k for management fees relating to Soldiers' Trading Limited's activities (2021: £5k). Soldiers Trading Limited donated £39k to ABF The Soldiers' Charity from its profits (2021: £43k). At 31 March 2022, there was a balance of £7k (2021: £6k) owed to ABF The Soldiers' Charity by Soldiers' Trading Limited.

12. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Leasehold Improvements		Office furniture, fittings & equipment		Total	
	2022	2021	**2022**	2021	**2022**	Total 2021
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost:						
At 1 April	134	134	297	290	431	424
Additions during the year	–	–	20	7	20	7
Disposals during the year	–	–	(1)	–	(1)	–
At 31 March	134	134	316	297	450	431
Depreciation:						
At 1 April	62	35	258	244	320	279
Charge for the year	27	27	15	14	42	41
Disposals for the year	–	–	(1)	–	(1)	–
At 31 March	89	62	272	258	361	320
Net book value at 31 March	45	72	44	39	89	111

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13. INVESTMENTS – GROUP AND CHARITY

	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Market value 1 April 2021	77,652	–	5,114	82,766
Purchase of investments	82	–	–	82
Sale of investments	(4,000)	–	–	(4,000)
Net gains on investments	8,172	–	300	8,472
Market value 31 March 2022	**81,906**	**–**	**5,414**	**87,320**
Cost				
At 31 March 2022	60,346	–	2,269	62,615
At 31 March 2021	63,384	–	2,269	65,653

All of the investments listed above are held by the Charity, including 100% of the issued share capital of Soldiers' Trading Limited. Both the cost and valuation of this shareholding is £1.

The investment portfolio comprises the following at market value:

	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	**Total**
	£'000	**£'000**	**£'000**	**£'000**
BLACKROCK - ARMED FORCES CHARITIES GROWTH AND INCOME FUND				
Income units	–	–	5,414	5,414
Accumulation units	42,417	–	–	42,417
CCLA – COIF				
Accumulation units	39,489	–	–	39,489
Market value 31 March 2022	81,906	–	5,414	87,320

14. ASSOCIATES

The Soldiers' Fund (TSF) was incorporated as a tax-exempt charity in the United States in 2012, its primary purpose being to raise funds for British Army personnel, past and present, and their families in times of need. As ABF The Soldiers' Charity can appoint three of the eleven directors of TSF, it is treated as an associate undertaking for the purposes of the consolidated financial statements. The Charity's share of TSF's deficit as at 31 March 2022 was £1k (2021: deficit, £25k). The Charity's share of TSF's net assets was £12k (2021: £12k).

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15. OTHER DEBTORS AND PREPAYMENTS

	GROUP		CHARITY	
	2022	2021	**2022**	2021
	£'000	**£'000**	**£'000**	**£'000**
Prepayments and accrued income	5,041	4,121	5,027	4,109
Other debtors	99	58	99	58
Due from subsidiary	–	–	7	6
Total	5,140	4,179	5,133	4,173

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2022	2021	**2022**	2021
	£'000	**£'000**	**£'000**	**£'000**
Deferred income				
At 1 April	859	696	859	696
Arising during the year	1,730	1,361	1,731	1,361
Released during the year	(1,736)	(1,198)	(1,736)	(1,198)
At 31 March	853	859	854	859
Trade creditors	129	133	125	131
Accrued expenses	341	268	326	255
Other creditors	20	27	27	32
Coronavirus Business Interruption Loan Scheme (CBILS)	–	2,000	–	2,000
Total	1,343	3,287	1,332	3,277

The Charity repaid the £2m Coronavirus Business Interruption Loan during the year. The loan interest in the first year was paid as a Business Interruption payment by the government.

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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets 2022	Investments and Associates 2022	Net Current Assets 2022	Group Total
	£'000	£'000	£'000	£'000
GROUP:				
General Funds	89	81,919	(10,381)	71,627
Designated Funds				
Afghanistan Fund	–	–	6,365	6,365
Current Operations Fund	–	–	2,247	2,247
Relocation Fund	–	–	12,000	12,000
	–	–	20,612	20,612
Restricted Funds				
Commandos Benevolent	–	–	254	254
DEFLOG VQ Trust	–	–	1,427	1,427
Falklands Fund	–	3,624	133	3,757
George Purse Trust Fund	–	1,789	443	2,232
Gulf Fund	–	–	222	222
	–	5,413	2,479	7,892
	89	87,332	12,710	100,131

	Tangible Fixed Assets 2021	Investments and Associates 2021	Net Current Assets 2021	Group Total
	£'000	£'000	£'000	£'000
GROUP:				
General Funds	111	77,664	(13,428)	64,347
Designated Funds				
Afghanistan Fund	–	–	6,791	6,791
Current Operations Fund	–	–	2,389	2,389
LIBOR Fund	–	–	452	452
Relocation Fund	–	–	12,000	12,000
	–	–	21,632	21,632
Restricted Funds				
Commandos Benevolent	–	–	254	254
DEFLOG VQ Trust	–	–	1,647	1,647
Falklands Fund	–	3,424	177	3,601
George Purse Trust Fund	–	1,690	396	2,086
Gulf Fund	–	–	323	323
	–	5,114	2,797	7,911
	111	82,778	11,001	93,890

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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

	Tangible Fixed Assets 2022	Investments and Associates 2022	Net Current Assets 2022	Charity Total
	£'000	£'000	£'000	£'000
CHARITY:				
General Funds	89	81,919	(10,407)	71,601
Designated Funds				
Afghanistan Fund	–	–	6,365	6,365
Current Operations Fund	–	–	2,247	2,247
Relocation Fund	–	–	12,000	12,000
	–	–	20,612	20,612
Restricted Funds				
Commandos Benevolent	–	–	254	254
DEFLOG VQ Trust	–	–	1,427	1,427
Falklands Fund	–	3,624	133	3,757
George Purse Trust Fund	–	1,789	433	2,232
Gulf Fund	–	–	222	222
	–	5,413	2,479	7,892
	89	87,332	12,684	100,105

	Tangible Fixed Assets 2021	Investments and Associates 2021	Net Current Assets 2021	Charity Total
	£'000	£'000	£'000	£'000
CHARITY:				
General Funds	111	77,664	(13,467)	64,308
Designated Funds				
Afghanistan Fund	–	–	6,791	6,791
Current Operations Fund	–	–	2,389	2,389
LIBOR Fund	–	–	452	452
Relocation Fund	–	–	12,000	12,000
	–	–	21,632	21,632
Restricted Funds				
Commandos Benevolent	–	–	254	254
DEFLOG VQ Trust	–	–	1,647	1,647
Falklands Fund	–	3,424	177	3,601
George Purse Trust Fund	–	1,690	396	2,086
Gulf Fund	–	–	323	323
	–	5,114	2,797	7,911
	111	82,778	10,962	93,851

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18. GENERAL FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY

GENERAL FUNDS	GROUP		CHARITY	
	2022	2021	**2022**	2021
	£'000	**£'000**	**£'000**	**£'000**
At 1 April	32,147	15,499	32,108	15,456
Income	10,946	11,489	10,874	11,411
Expenditure	(11,838)	(10,304)	(11,753)	(10,222)
Gains	8,172	15,463	8,172	15,463
Transfer from the Designated Fund	32,200	–	32,200	–
At 31 March	71,627	32,147	71,601	32,108

19. DESIGNATED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY

	Afghanistan Fund **2022**	Current Operations Fund **2022**	LIBOR Fund **2022**	Strategic Fund **2022**	Relocation Fund **2022**	**Total 2022**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Income						
Income from charitable activities	–	–	–	–	–	–
Income from investments	33	–	–	–	–	33
Total income	33	–	–	–	–	33
Expenditure						
Grants to other charities	(425)	(132)	(452)	–	–	(1,009)
Grants for the benefit of individuals	(24)	–	–	–	–	(24)
Grant making and other support costs	(10)	(10)	–	–	–	(20)
Total expenditure	(459)	(142)	(452)	–	–	(1,053)
Net (expenditure) before net gains/ (losses) on investments	(426)	(142)	(452)	–	–	(1,020)
Net gains/(losses) on investments	–	–	–	–	–	–
Net (expenditure) for the year	(426)	(142)	(452)	–	–	(1,020)
Transfer to the General Fund	–	–	–	(32,200)	–	(32,200)
Net movement in funds	(426)	(142)	(452)	(32,200)	–	(33,220)
Fund balances at 1 April	6,791	2,389	452	32,200	12,000	53,832
Fund balances at 31 March	6,365	2,247	–	–	12,000	20,612

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19. DESIGNATED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY (CONTINUED)

	Afghanistan Fund 2021	Operations Fund 2021	Current LIBOR Fund 2021	Strategic Fund 2021	Relocation Fund 2021	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Income from charitable activities	–	–	–	–	–	–
Income from investments	176	–	–	–	–	176
Total income	176	–	–	–	–	176
Expenditure						
Grants to other charities	(411)	(215)	(950)	–	–	(1,576)
Grants for the benefit of individuals	(3)	–	–	–	–	(3)
Grant making and other support costs	(8)	–	–	–	–	(8)
Total expenditure	(422)	(215)	(950)	–	–	(1,587)
Net (expenditure) before net gains/ (losses) on investments	(246)	(215)	(950)	–	–	(1,411)
Net gains/(losses) on investments	–	–	–	–	–	–
Net (expenditure) for the year	(246)	(215)	(950)	–	–	(1,411)
Net movement in funds	(246)	(215)	(950)	–	–	(1,411)
Fund balances at 1 April	7,037	2,604	1,402	32,200	12,000	55,243
Fund balances at 31 March	6,791	2,389	452	32,200	12,000	53,832

Designated Funds, within Unrestricted Funds, are set aside at the discretion of the trustees for specific purposes and time. The Designated Funds now consist of the Current Operations Fund (COF), the Afghanistan Fund, the Relocation Fund (RF) and the LIBOR Fund.

- The Current Operations Fund was established in 2007 to provide a continuing fund for soldiers, former soldiers, and their dependants in times of need who are suffering distress as a result of military operations being undertaken at that time and all subsequent military operations. It will continue in place until such time as all eligible beneficiaries no longer survive.
- The Afghanistan Fund was set up to support Army families affected by the Afghanistan campaign. Similarly, this will be time limited.
- The LIBOR funding of £3m was set up to deliver better provision of childcare/community facilities for those serving Army families who face particular disadvantage. This project was completed in 2022.
- The Relocation Fund of £12 million, to provide for the anticipated relocation of the Charity's head office when the building lease expires – currently 2025, although these plans are under constant review.
- The Strategic Reserve of £32.2 million, has been transferred to the general funds. The fund is for the delivery of benevolence to the Army family in a more enduring sense, hedging against a significant change in operating conditions or benevolence need.

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Notes to the financial statements
for the year ended 31 March 2022

20. RESTRICTED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY

	Commandos Benevolent Fund **2022**	DEFLOG VQ Fund **2022**	Falklands Fund **2022**	George Purse Fund **2022**	Gulf Fund **2022**	**Total 2022**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Income						
Income from charitable activities	–	–	–	–	–	–
Income from investments	–	–	119	59	–	178
Total income	–	–	119	59	–	178
Expenditure						
Direct charitable expenditure	–	–	(14)	–	(5)	(19)
Grants to other charities	–	(165)	(140)	–	(91)	(396)
Grants for the benefit of individuals	–	(55)	(8)	(14)	(5)	(82)
Total expenditure	–	(220)	(162)	(14)	(101)	(497)
Net (expenditure)/ income before net gains on investments	–	(220)	(43)	45	(101)	(319)
Net gains on investments	–	–	201	99	–	300
Net (expenditure)/ income for the year	–	(220)	158	144	(101)	(19)
Net movement in funds	–	(220)	158	144	(101)	(19)
Fund balances at 1 April	254	1,647	3,600	2,087	323	7,911
Fund balances at 31 March	254	1,427	3,758	2,231	222	7,892

ABF THE SOLDIERS' CHARITY
Notes to the financial statements
for the year ended 31 March 2022

20. RESTRICTED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY (CONTINUED)

	Commandos Benevolent Fund 2021	DEFLOG VQ Fund 2021	Falklands Fund 2021	George Purse Fund 2021	Gulf Fund 2021	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Income from charitable activities	–	–	–	–	–	–
Income from investments	–	–	116	57	9	182
Total income	–	–	116	57	9	182
Expenditure						
Direct charitable expenditure	–	–	(13)	–	(4)	(17)
Grants to other charities	–	(133)	(100)	–	(62)	(295)
Grants for the benefit of individuals	(7)	(82)	(1)	(6)	(9)	(105)
Total expenditure	(7)	(215)	(114)	(6)	(75)	(417)
Net (expenditure)/ income before net gains on investments	(7)	(215)	2	51	(66)	(235)
Net gains on investments	–	–	612	302	63	977
Net (expenditure)/ income for the year	(7)	(215)	614	353	(3)	742
Net movement in funds	(7)	(215)	614	353	(3)	742
Fund balances at 1 April	260	1,863	2,986	1,734	326	7,169
Fund balances at 31 March	253	1,648	3,600	2,087	323	7,911

The Restricted Funds consist of:

- The Army Commandos' Benevolent Fund gave the bulk of its winding up funds as a grant to The Soldiers' Charity for the assistance of any such persons who have served in the Commandos and in making grants to charitable organisations which directly or indirectly benefits the persons or dependents of persons who have served in the Commandos. There have been no cases presented this year where an individual met the criteria for eligibility for funding from the Commandos fund.
- The DEFLOG VQ Trust was set up from the funds received from The DEFLOG VQ Trust, which folded into The Soldiers' Charity three years ago. The funds are restricted to advance education and training and to relieve unemployment; and relieve the needs of people who are at risk of becoming socially excluded, through the promotion of social inclusion.
- The Falklands Fund, which exists to meet the needs of soldiers, former soldiers and their dependants who have suffered distress as a result of the Falklands conflict.
- The George Purse Trust Fund which exists to make grants that would not otherwise be provided out of Charity Unrestricted funds to support the welfare needs of ex-Army personnel, dependants and carers residing in the former boundaries of the counties of Glamorgan and Monmouthshire.
- The Gulf Trust (Army and Civilian) Fund, which exists to meet the needs of soldiers, civilian personnel attached to or accompanying the Armed Forces and their dependants who have suffered distress as a result of the Gulf conflict and any continuing operations.

ABF THE SOLDIERS' CHARITY
Notes to the financial statements
for the year ended 31 March 2022

21. PENSION COSTS

ABF THE SOLDIERS' CHARITY GROUP PENSION PLAN
Employer contributions to the auto enrolment scheme during the year to 31 March 2022 amounted to £154k (2021: £165k).

There was an outstanding pension contribution of £29k as at 31 March 2022 (2021: £29k).

22. OPERATING LEASE COMMITMENTS

At 31 March 2022 the Charity had future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Land and buildings **2022**	Office machinery **2022**	Vehicles **2022**	Total **2022**
	£'000	**£'000**	**£'000**	**£'000**
Not later than one year	706	12	48	766
Later than one year and not later than five years	1,608	27	47	1,682
Later than five years	–	–	–	–
	2,314	39	95	2,448

	Land and buildings 2021	Office machinery 2021	Vehicles 2021	Total 2021
	£'000	**£'000**	**£'000**	**£'000**
Not later than one year	689	12	48	749
Later than one year and not later than five years	2,322	39	27	2,388
Later than five years	–	–	–	–
	3,011	51	75	3,137

The lease between The Soldiers' Charity and Grosvenor Estate Belgravia covers the first, second and third floors at Mountbarrow House.

ABF THE SOLDIERS' CHARITY
Notes to the financial statements
for the year ended 31 March 2022

23. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY

	NOTES	Total 2022	Unrestricted Funds General (note 18)	Unrestricted Funds Designated (note 19)	Restricted Funds (note 20)	Total 2021
		£'000	£'000	£'000	£'000	£'000
Income from:						
Donations and legacies						
The public						
Donations and Appeals Income		2,815	3,148	–	–	3,148
Legacies		3,202	4,175	–	–	4,175
		6,017	7,323	–	–	7,323
Army personnel						
From individuals in Army Units		108	107	–	–	107
Regimental and Corps Benevolent Funds		1,059	964	–	–	964
Army Dependants Trust		831	929	–	–	929
		1,998	2,000	–	–	2,000
Investments	3	547	1,026	176	183	1,385
Other trading activities		2,456	952	–	–	952
Government grants	4	139	188	–	–	188
Total Income		11,157	11,489	176	183	11,848
Expenditure on:						
Raising funds						
Fundraising trading	5	2,644	1,760	–	–	1,760
Other costs of raising funds	6	2,316	2,278	–	–	2,278
		4,960	4,038	–	–	4,038
Charitable activities						
Grants to Regiments and Corps for the benefit of individuals	7	2,838	2,524	3	105	2,632
Grants to other charities	8	3,433	1,673	1,576	295	3,544
		6,271	4,197	1,579	400	6,176
Grant making and other support costs	9	2,156	2,069	8	17	2,094
		8,427	6,266	1,587	417	8,270
Total expenditure		13,387	10,304	1,587	417	12,308
Net (expenditure)/ income before net gains on investments		(2,230)	1,185	(1,411)	(234)	(460)
Net gains on investments	13	8,472	15,488	–	977	16,465
Net income/(expenditure) for the year		6,242	16,673	(1,411)	743	16,005
Net interest in the results for the year in associates	14	(1)	(25)	–	–	(25)
Net movement in funds		6,241	16,648	(1,411)	743	15,980
Funds balances at 1 April		93,890	15,499	55,243	7,168	77,910
Funds balances at 31 March		100,131	32,147	53,832	7,911	93,890

ABF THE SOLDIERS' CHARITY

Notes to the financial statements
for the year ended 31 March 2022

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(Registered No. 07243995)

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The Army's National Charity

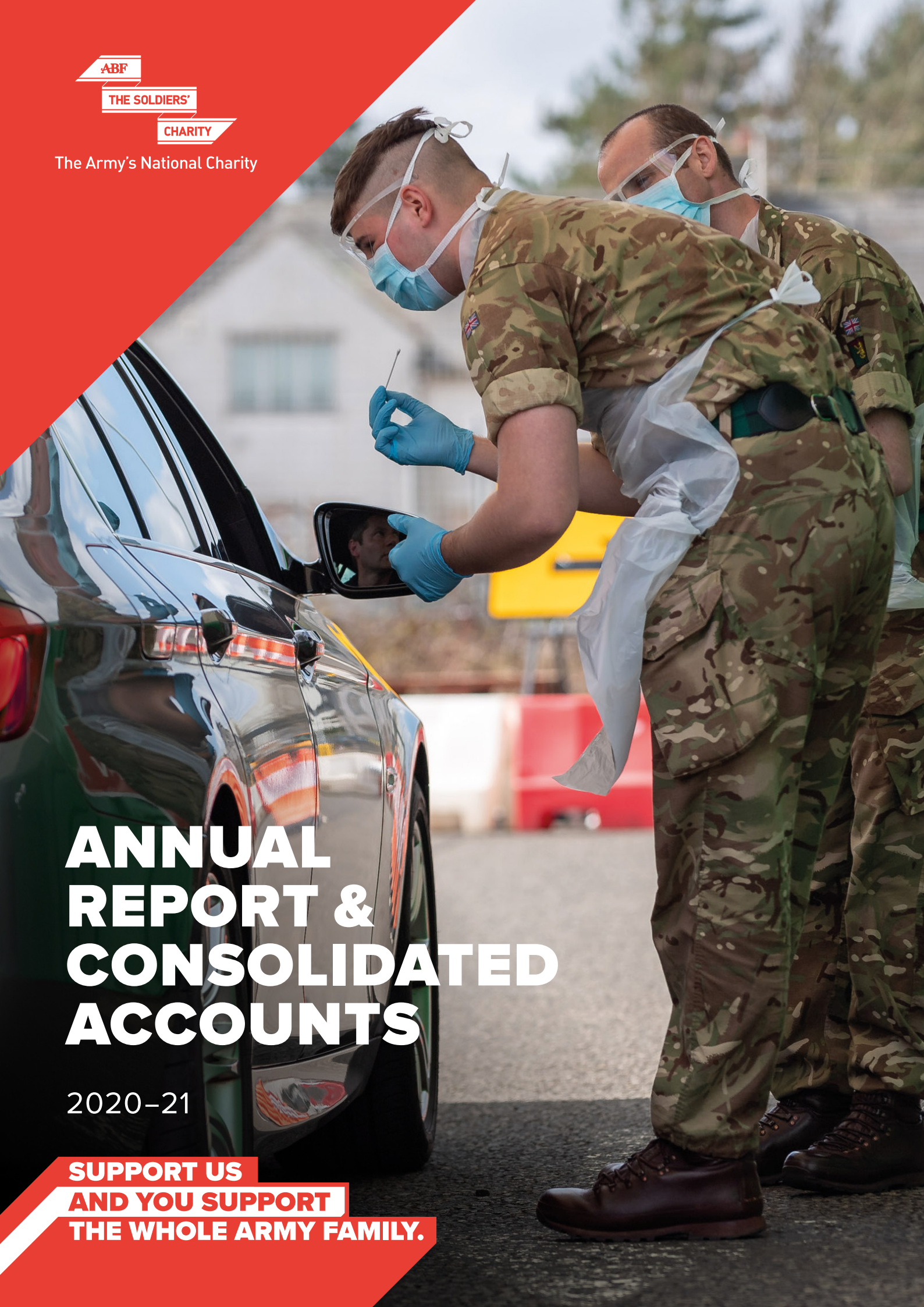
Army Benevolent Fund

England & Wales - Charity number 1146420

Accounts

ABF THE SOLDIERS' CHARITY

The Army's National Charity



ANNUAL REPORT & CONSOLIDATED ACCOUNTS

2020–21

SUPPORT US AND YOU SUPPORT THE WHOLE ARMY FAMILY.

PATRON
Her Majesty The Queen

VICE PATRON
Her Royal Highness The Duchess of Cornwall

PRESIDENT
General Sir James Everard KCB CBE

TRUSTEES

CHAIRMAN
Lieutenant General (Ret'd) Philip Jones CB CBE DL

VICE CHAIRMAN
Simon Martin

MEMBERS
Sarah Booth (Appointed 1st July 2020)

Mary Fagan

Rowena Fell (Appointed 1st July 2020)

Simon Heale (Appointed 1st July 2020)

Paul Hearn

David London (Appointed 1st July 2020)

Amanda Metcalfe

Warrant Officer Class One Gavin Paton
(The Army Sergeant Major)

James Rous

Anthony Scott

Major General Neil Sexton CB

Major General (Ret'd) Malcolm Wood CBE

Lisa Worley

SENIOR MANAGEMENT TEAM
Major General (Ret'd) Martin Rutledge CB OBE,
Chief Executive

Brigadier (Ret'd) Robin Bacon
(Retired 31st March 2021),
Chief of Staff & Company Secretary

Brigadier (Ret'd) Peter Monteith MBE
(Appointed 31st March 2021),
Chief of Staff & Company Secretary

Temidayo Ajakaiye,
Director of Finance

Sean Bonnington,
Director of National Fundraising

Colonel (Ret'd) Kevin Haugh CBE,
Director of Grants and Welfare

Jenny Redman,
Director of Communications and Marketing

Brigadier (Ret'd) Colin Tadier CBE,
Director of Regions

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Telephone: 020 7901 8900
E-mail: info@soldierscharity.org
Website: www.soldierscharity.org

ABF The Soldiers' Charity is an incorporated charity registered with the Charity Commission for England and Wales with Charity No. 1146420, and in Scotland with the Office of the Scottish Charity Regulator with Scottish Charity Register No. SC039189.

ABF The Soldiers' Charity is a company limited by guarantee in England and Wales (07974609) and was incorporated on 2nd March 2012.

Cobseo
The Confederation of Service Charities

ABF THE SOLDIERS' CHARITY
The Army's National Charity

Registered with FUNDRAISING REGULATOR

COVER: A soldier from The Royal Regiment of Scotland takes a test sample at a COVID-19 testing centre at Glasgow Airport, April 2020 (Andrew Milligan-WPA Pool/Getty Images).

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WELCOME **FROM THE CHAIRMAN**

The foresightedness of our founders has paid off this year. They envisaged a charity that has resilience and endurance for the long haul. A charity that can withstand shocks while remaining a reliable safe harbour for individuals and organisations less able to cope. Part of this vision was for the charity to be simple in concept but sufficiently agile to remain relevant and highly effective at what it does.

The charity's resilience throughout the COVID-19 crisis – indeed its terrific performance, as this report testifies – is not all about founding concepts, however. As Chairman of the Board of Trustees, I pay heartfelt tribute to every single person who has answered the call to arms over the past many, many months in ways that would make our founders, living with the aftermath of the Second World War, glow with pride. Our people have been magnificent, from the Chief Executive right through to the most fleeting volunteer. In particular, I pay tribute to our young professional staff who despite having their lives turned upside-down have continued to adapt, innovate and persist with great creativity and energy. This combination of a sound charitable model and great people has stood us well.

It's too early to tell how COVID-19 and its aftermath will impact on our charity's mid- to long-term strategy. This is something our Board will wrestle with in our next few meetings. We are well positioned and ready to do this work. Over the past year we have welcomed a new President, General Sir James Everard, who most recently was the Deputy Supreme Allied Commander Europe. And we have a terrific group of new Trustees on the Board, all of whom were thrown into the deep end in the midst of the crisis and all of whom have contributed already.

Great leadership has helped us navigate this crisis, and the professional leadership team deserve our deepest gratitude for the way in which they worked astonishingly hard to steer the ship. In amongst all of the COVID pressure we said farewell to our wonderful Chief of Staff, Robin Bacon, and welcomed his successor, Peter Monteith. Crucially for the charity, we have selected Major General Tim Hyams to

LIEUTENANT GENERAL (RET'D) PHILIP JONES CB CBE DL
CHAIRMAN

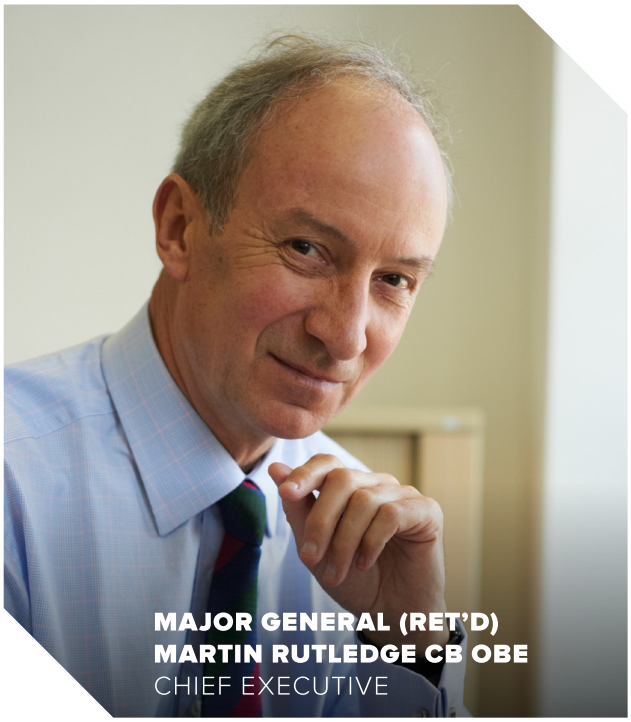
be Martin Rutledge's successor as Chief Executive later this year. Martin's energy and excellence will be greatly missed but I have every confidence in Tim to pick up the torch and run with it.

While the Board thinks carefully about the charity's next steps, the professional and volunteer team have continued over this past year to do what they do best: raise money, manage investments, and deliver grants on time and on target. This is a gross simplification of course. But to see creative innovation spark in every dimension of the charity's activity around this simple model in the extreme circumstances of the pandemic has been inspirational and heart-warming. The end result is that we can, with our hands on our hearts, feel confident that every request for help has been answered to the standard that everyone has a right to expect.

It is now a cliché to say that this has been a tough year for everyone – but it has. Despite my objective and realistic positivity, the charity is not unscathed and we are all still interpreting what has happened over the period of this report. In the circumstances, the charity has fared better than we had a right to expect. But the worst is probably not over yet.

"WE CAN, WITH OUR HANDS ON OUR HEARTS, FEEL CONFIDENT THAT EVERY REQUEST FOR HELP HAS BEEN ANSWERED TO THE STANDARD THAT EVERYONE HAS A RIGHT TO EXPECT."

WELCOME FROM THE CHIEF EXECUTIVE



MAJOR GENERAL (RET'D) MARTIN RUTLEDGE CB OBE
CHIEF EXECUTIVE

In my foreword to last year's Annual Report I talked about it 'spanning a truly unique year'. Now, some 12 months later, I feel I need an even more exceptional description to really capture the extraordinary circumstances we have faced since then.

In the round, this last financial year has been rather better than we might have anticipated and the unexpectedly small end of year deficit (net expenditure) reflects that position. Three factors have combined to achieve that result. First, our charitable expenditure has remained low, despite our best efforts to sustain our continuing support to those in need. This may seem counter-intuitive in a time of national crisis but significantly fewer individuals have presented with requests for help, and many of the other charities and organisations that we support have cancelled or postponed programmes and so required less funding. That said, we would not interpret that as a reduction in need – it is just taking longer to filter through, not least due to some government support measures such as the furlough scheme and the uplift to universal credit. At no stage has affordability been a factor in terms of our ability to support our beneficiaries, and our latest grants committee made some very substantial grants to key delivery partners.

Second, we are fortunate that this charity has a very broad mix of income streams, which have proven remarkably resilient in the current circumstances. Almost all our physical events, both nationally and regionally, have been cancelled but on the other hand substantial virtual events have boomed and many of our supporters have made an extra effort to help us.

Finally, careful management of our resources has made a significant contribution – helped by robust investment values. In particular, I pay tribute to our staff who have accepted the imposition of furlough with good grace, despite the fact that we very reluctantly decided not to 'top up' the difference – so this has significantly hit their pay packets. We have done this to help sustain structures and capabilities for the future, rather than cutting into the muscle for short-term relief but risking long-term damage, and they have wholeheartedly supported us in that endeavour.

The net result of all the above is our charity enters the new financial year in as good a position as we could reasonably expect given the current challenges. We have protected key capabilities, we have made appropriate use of our reserves, and we are able to budget for a significant increase in our charitable activity, applying further resources as necessary and appropriate in the coming year.

As ever, none of this could happen without our very calm and pragmatic Board; the determination of our staff to fight through the current difficulties and remain focused on our fundamental purpose; and finally, of course, most importantly our many and varied supporters. Thank you.

Looking to the future, we are absolutely clear we can sustain our operations going forward, despite the current challenges, and indeed we see significant opportunities for our sector to adapt and further improve.

Finally, I should say that I depart ABF The Soldiers' Charity in November after nine stimulating and enjoyable years. I think the timing is immaculate as hopefully by then the future may look a little more certain; and an excellent new Chief Executive can bring fresh ideas and perspective to the next phase for the charity.

"OUR CHARITY ENTERS THE NEW FINANCIAL YEAR IN AS GOOD A POSITION AS WE COULD REASONABLY EXPECT GIVEN THE CURRENT CHALLENGES."

OUR VISION

All serving soldiers, veterans and their immediate families should have the opportunity to avoid hardship and enjoy independence and dignity.

OUR OBJECTIVES

Since our formation in 1944, our objectives have been to benefit persons who are serving or who have served in the British Army, or their dependants, in any charitable way by the provision of grants, loans, gifts, pensions or otherwise. We work with veterans of every conflict, from the Second World War to the most recent operations, whether they live in the British Isles or overseas.

01 Walter got into financial difficulty after an operational injury ended his career in 5 SCOTS. We awarded a grant towards household furnishings to ensure he, his wife and five daughters had somewhere homely and comfortable to live.

02 We awarded almost £30,000 to the Royal Caledonian Educational Trust, which specialises in the educational and developmental needs of children from Armed Forces families. This marks our third year supporting their 'Teen Talks' programme, a youth participation project that works with over 100 secondary school pupils from Armed Forces families.

03 Our longstanding partner Erskine provides nursing, dementia, palliative and respite care for Armed Forces veterans and their spouses in Scotland. Our latest £150,000 grant will contribute towards the cost of caring for the 94 Army veterans currently resident at their Bishopton home.

04 Norris was injured by a rocket-propelled grenade in Afghanistan in 2013, which left him with a spinal injury and PTSD. Thanks to the support of The Poppy Factory, one of 43 charities we funded in FY20-21, he has found employment and a new sense of purpose.

OUR **MISSION**

We are the Army's national charity, giving a lifetime of support to serving soldiers, former soldiers and their immediate families when they are in need.

PUBLIC **BENEFIT**

When reviewing The Soldiers' Charity's aims and objectives, and when setting grant-making policy and planning for the future, the Trustees have carefully considered the Charity Commission's guidance on public benefit. The Soldiers' Charity provides a public benefit in that it supports the Army community, contributing to the defence of the UK and its interests. Through its external grants programme, The Soldiers' Charity also enables other charities to maximise their public benefit, in support of the Army family.

CHARITABLE ACTIVITIES **OVERVIEW**

As the Army's national charity, the welfare of soldiers, veterans and their immediate families has always been at the heart of everything we do.

In the past year, we have supported around 60,000 members of the Army family in 63 countries across the globe. This has been achieved via our individual grants programme and by providing essential funding for 43 other charities and organisations to enable them to deliver specialist services to the Army family. By supporting us, you truly do support the whole Army family.

In the financial year 2020-21, our charitable expenditure was £8.3m. Our aim, as ever, was to ensure a complete spectrum of support to the Army family in the areas it was needed most, such as: enabling independent living; caring for the elderly; training and education to increase employability; improving mental fitness and securing the provision of suitable housing.

It is important to highlight that our ability to provide support was not stymied by the coronavirus pandemic. We were determined that our grants programme should continue as normal and we were able to provide support to, for example, individuals who had lost their income and were struggling with essential living costs or unlikely to find employment soon. We were also able to continue making substantial grants to our partner charities, in support of the Army family.

The number of grants awarded has reduced this year but this was in many cases driven by a decrease in demand for support from other charities and organisations that were forced to scale back planned activity. We also received fewer requests for assistance from individuals, potentially due to government initiatives such as the furlough scheme, the uplift in universal credit, and protocols provided under the Coronavirus Act 2020 that protected social and private tenants by delaying when landlords could evict them. We also believe some individuals were not comfortable talking remotely with caseworkers, or allowing tradespeople into their homes, or thought issues could wait until after the pandemic had passed or lockdowns were eased.

Our £60,000 grant to Care For Veterans supports former soldiers like Steve, who was left partially paralysed following a motorcycle collision. Steve, who was a serving Warrant Officer at the time of the accident, refuses to allow his injuries to define him. With the support of staff, he recently completed an 874-mile virtual cycle from Land's End to John O'Groats.

At no stage have we constrained our charitable giving for affordability reasons. As ever, we pride ourselves on acting immediately when help is needed and provide true through-life support, the breadth and variety of which is explained in this publication.

OUR THREE MECHANISMS **FOR PROVIDING SUPPORT**

1

We make grants to individuals, through their Regimental and Corps charities.

2

We make grants to other charities and organisations that deliver specialist support to soldiers, veterans, and their immediate families.

3

We play a key role in the military welfare ecosystem by: funding organisations that carry out Army-related casework (particularly SSAFA); investing in the Casework Management System (to ensure grants are reviewed and disbursed quickly); and collaborating with and providing advice and support to other military charities and organisations such as Cobseo and Veterans Scotland.

CHARITABLE ACTIVITIES **OVERVIEW**

Supporting the Army family

The overall scale, breadth and variety of our support is vast. We are here to help soldiers, veterans and families of all 'ages and stages' – our youngest beneficiary in FY20-21 was a two-year-old and our eldest was 103. We are here to help the Army family through life's challenges – whether that involves bereavement, injury, getting back to work, elderly care, and much more besides.

We are never judgemental and we always adopt an integrated approach to the person or family in need of support. Often, an individual in need will receive an initial grant, delivered through their Regimental or Corps charity; then be referred to a specialist charity that we have funded. They may then receive support from other partner charities – with assistance from us at every stage. Throughout, we rigorously focus on their need and allocate our support accordingly across a wide range of charity partners. We give grants to support other charities both large and small, local and international, depending on our assessment of where the need is. Our grants programme is continually evolving and we never 'rubber stamp' applications – all cases are based on merit, with rigorous due diligence checks on outcomes (or, put another way, the positive effect of our spend).

Finally, and crucially, we act with speed. When we are alerted that a person or family needs help, we aim to make the relevant grant within 48 hours.

In FY20-21 we spent **£8.3M** supporting **60,000** members of the Army family

The youngest person we supported was **TWO YEARS OLD**, the eldest was **103**

We funded **43 OTHER CHARITIES** and organisations that provide support for the Army family

We have supported the British Army family all over the world – in **63 COUNTRIES** this year

Around **38% OF THE GRANTS** we made to other charities benefited the serving Army

We spend around **£52,000 A WEEK** on grants to individuals

SUPPORTING **THE DEFENCE MEDICAL WELFARE SERVICE**

Supporting soldiers and veterans on their road to recovery was more important than ever during the COVID-19 pandemic, when so many of them were prevented from seeing their loved ones.

During FY20-21 we awarded the Defence Medical Welfare Service (DMWS) a further grant of £200,000. This supports a network of welfare officers who work within 11 NHS Trusts providing practical and emotional support to patients in the Armed Forces community and their families. This latest grant takes our support to around £1.7m over the last four years.

Welfare officers are specialists in helping patients navigate the recovery pathway, which reduces the pressure on the NHS. With the welfare officer focused on unlocking the solutions that will enable independent living, clinicians are able to focus on providing the very best medical care. And by identifying the support needed when the patient returns home, the discharge process is made more efficient and unnecessary readmission is avoided.

So far, more than 5,500 members of the Armed Forces community have benefited from the service, with 75 percent of them reporting an increase in wellbeing.

Susan was unable to visit her husband in hospital due to COVID-19 restrictions after he sustained a life-threatening head injury. An iPad was made available so she could see him after he woke from an induced coma. She was also assisted with accommodation near to the hospital and a DMWS welfare officer was provided to give her the emotional support she needed to reduce her isolation and anxiety.

Susan said: “Due to COVID-19, the wards were closed and I was not able to see my husband. Having someone visit him and then update me was so much easier than trying to contact the hospital; I felt like I had someone on my side.”

Throughout the pandemic, the DMWS has continued to assist new and existing patients from the Armed Forces community, adapting its service provision where possible to ensure that lonely and isolated people receive regular friendly contact. This was a project we initiated and for which we were fortunate to obtain LIBOR funding in addition to using our own resources. We are now looking to broaden this project further to reach out to more potential beneficiaries in due course.

“WORKING IN PARTNERSHIP WITH ABF THE SOLDIERS’ CHARITY HAS ENABLED THE DEFENCE MEDICAL WELFARE SERVICE TO OPTIMISE SUPPORT TO THOSE THAT NEED IT MOST. IT IS AT EXTRAORDINARY TIMES LIKE THESE THAT BOTH ORGANISATIONS STEP FORWARD AND MAKE A REAL DIFFERENCE ON THE GROUND.”

PAUL GAFFNEY CEO OF THE DMWS

CHARITABLE ACTIVITIES **HELPING ARMY FAMILIES**

We are here to help the families of those who have served their country when they find themselves in need.

Our support comes in many forms – from helping with unexpected bills or expenses for a family in crisis; to assisting with funeral costs so a loved one can be buried with dignity. We work hard to ensure Army families are empowered to overcome challenges and move forward with their lives.

We fund charities and organisations that provide services for military families across the British Isles. This includes the Royal Caledonian Education Trust, which supports Scottish Armed Forces families; Reading Force, which uses books to bring Forces children and families closer together; and a £491,000 grant to the Army Welfare Service (utilising LIBOR funds we managed to access for a wide-ranging project) to help improve the experiences of children growing up on Army bases around the UK.

We also awarded £30,000 to SSAFA's Gildea House, which provides a safe haven for Armed Forces women and children who are estranged, widowed or fleeing unsafe living environments. This support seemed particularly appropriate during the pandemic, when reports of domestic abuse rose considerably. It is vital that military women have a safe, comfortable refuge in times of crisis.

WE AWARDED £25,000 to the Army Widows' Association, which offers comfort, support and friendship to the widowed spouses of servicemen and women

WE ASSISTED WITH 305 funerals – spending £297,563 so those in financial hardship could bury their loved ones with dignity

WE PROVIDED A £10,000 grant to fund the Wellington family bedroom at Fisher House, supporting Army families while their loved ones are being treated at Queen Elizabeth Hospital Birmingham

One of the 43 charities we supported in FY20-21 was Reading Force, which operates a shared reading initiative for Armed Forces families. We have been working in partnership since 2014 to encourage military families to read together - even when separated by deployment or training. This has been particularly important during the COVID-19 pandemic, when loved ones have been kept apart during successive lockdowns. Pictured: Reading Force founder Alison Baverstock with an Army family, Aldershot.

THE WELLS FAMILY'S STORY

We were delighted to team up with three military charities to purchase a purpose-built trike and specialist bed for Jamie, the disabled son of a Royal Signals veteran.

Jamie lives with his parents Graham and Leanne and brother Leo in the Wirral. He has faced major health setbacks throughout his short life and is not yet able to walk or talk. On top of this, he was diagnosed with a bowel condition called Hirschsprungs disease and now has a stoma bag. Leanne says: "Jamie has been super brave and makes us proud every single day."

Following an appeal from Graham and Leanne, our charity worked with The Royal British Legion, the Kyte Charitable Trust and the Royal Signals Charity to award almost £12,000 towards the trike and bed. Our charity also supported Leanne with a three-year bursary towards her Occupational Therapy degree, which she is currently undertaking at Liverpool University.

The family spent most of the pandemic shielding, but were able to take occasional trips to a quiet location for Jamie to exercise. The trike has transformed Jamie's quality of life, enabling him to explore the outdoors with his family.

"IT'S JUST BRILLIANT KNOWING THAT THERE'S SOMEBODY THERE TO HELP YOU."

LEANNE, JAMIE'S MUM

CHARITABLE ACTIVITIES **ENABLING INDEPENDENT LIVING**

We are here to ensure that soldiers, past and present, and their families can lead full and independent lives, regardless of age or disability.

From funding organisations that provide expert recovery and rehabilitation for injured soldiers to awarding grants to disabled veterans for home adaptations, we are committed to ensuring the Army family receives the support it needs to live with independence and dignity. For those experiencing problems with mobility, we provide grants for specialist equipment including mobility scooters, ramps, rails and stairlifts to ensure they can live safely and confidently at home.

We also award grants to charities and organisations that provide specialist services and support. In FY20-21 this included a £30,000 grant to our long-standing partner, the Spinal Injuries Association (SIA), which assists serving and former members of the Armed Forces who are living with a spinal cord injury.

WE SPENT £246,800
assisting 324 individuals with grants for mobility aids

Former soldier Adrian was diagnosed with muscular dystrophy in 2005. Our charity awarded him a grant for a specialist standing wheelchair and he is now able to stand and kiss his wife Lucy again.

"I CANNOT EXPLAIN THE LOOK OF DELIGHT ON LUCY'S FACE WHEN I STOOD UP FOR THE FIRST TIME IN THREE YEARS. THANK YOU SO MUCH FOR GIVING ME BACK MY INDEPENDENCE."

ADRIAN

£116,000 WAS SPENT
helping 140 people buy electrically powered vehicles, allowing them to access local communities

WE HELPED BUY 116
electric beds / riser recliners to reduce pain and discomfort for those living with disability or chronic pain

ADAM'S STORY

Adam served with the Royal Dragoon Guards for 17 years before joining the Army Reserve. He deployed to Iraq with the East and West Riding Regiment, where he sustained extensive injuries in a grenade attack in 2003. Adam underwent 20 major operations and has been left with severe spinal injuries.

Adam was medically discharged from the Army in 2006. He works part-time at Leeds City Council and lives with his wife Maria, who cares for him. His mobility has worsened in recent years and he is paralysed from the waist down.

Our charity awarded Adam a grant towards home adaptations, including a ramp and hoist, and an attachment for his wheelchair.

"WITHOUT YOUR HELP AND ASSISTANCE, LIFE WOULD BE SO MUCH MORE DIFFICULT. THANK YOU FOR EVERYTHING THAT YOU DO."

ADAM

CHARITABLE ACTIVITIES **CARE FOR THE ELDERLY**

We are committed to ensuring that soldiers of every conflict and their families can live with independence and dignity, long after their service has ended.

From providing substantial support to leading care homes for veterans to providing specialist equipment to protect elderly veterans from pain, discomfort and injury – we are here to provide lifelong support for those who have served their country.

Our external grants programme continues to provide far-reaching assistance for care providers that assist elderly veterans and their families, including those living with disability or dementia. One such organisation is Royal Star & Garter Homes, which operates five care homes across the UK. At the height of the COVID-19 pandemic, we awarded a £50,000 emergency grant to assist with their virus response, including providing PPE and increased staffing at their homes in the West Midlands, Surrey and Buckinghamshire.

2020 was an important year for the Army family, as we marked the 75th anniversary of the end of World War Two. With national celebrations placed on hold due to the pandemic, we worked with five leading care homes to bring VE Day street parties into the homes. On 8th May, residents enjoyed music, singing and refreshments before pausing to remember friends and comrades who fought during World War Two.

SUPPORTING **BROUGHTON HOUSE**

During FY20-21, we were delighted to award Broughton House an £80,000 contribution towards supporting elderly Army veterans in its care home.

Established in 1916, Broughton House was founded to provide treatment to the thousands of injured servicemen returning from the trenches during World War One. It has since evolved into a dedicated care home for veterans in the North West. The £14m Veteran Care Village marks the next stage in their inspiring vision to enable and empower the Armed Forces community to live with independence and dignity, long after their service has ended.

Once completed, the two-acre site in Greater Manchester will comprise a 64-bedroom care home; up to 30 independent living apartments; a military support hub; a memorial park and landscaped gardens with a bowling green and bandstand.

In September 2020, residents of Broughton House moved into their new accommodation following the completion of the first stage of the project.

WE MADE GRANTS
totalling £604,000 to other charities and organisations that help elderly veterans

WE SPENT £770,000
on individual grants to veterans aged over 65

World War Two veteran Len served in the Royal Army Service Corps as a Despatch Rider. He took part in the Normandy landings and Operation Market Garden and was in Germany on VE Day. Now in his nineties, Len lives at Care For Veterans, one of 43 charities we were delighted to fund.

"SUDDENLY A SPITFIRE WAS FLYING ABOVE ME AND THE PILOT GAVE ME A THUMBS-UP AND MOUTHED 'VICTORY!' THAT'S WHEN I KNEW IT WAS ALL OVER."

LEN

CHARITABLE ACTIVITIES
TRAINING AND EDUCATION TO IMPROVE EMPLOYABILITY

We are here to equip former soldiers with the training and education they need to succeed in their chosen field.

We are very conscious that this area may become a higher priority as we emerge from the current crisis.

We provide direct financial assistance to help former soldiers prepare for employment as they transition into civilian life. This might involve providing a bursary for a young, disabled veteran to attend university; or funding training schemes and workshops for service leavers to embark on rewarding new careers. Our goal is to ensure former soldiers have the opportunities to put their varied skills and experience to best use.

We fund a range of partner charities and organisations that provide education and employment support to the Army family. This includes our support for the Open University's Disabled Veterans' Scholarship programme, which this year enabled ten ex-service personnel to attend undergraduate and postgraduate courses. Thanks to this scheme, disabled veterans have been able to study subjects ranging from social sciences and psychology to law, counselling and IT.

DONNA'S STORY

Donna is the eighth generation of her family to serve in the Armed Forces. She joined the Royal Signals straight from school, serving for almost five years before being medically discharged due to her mental health.

She says: "I really lost my way. I went from one bad job to another. I spent five years working in the call centre of a bank, where I was told again and again that I wasn't good enough for promotion." Donna's mental health continued to suffer, until eventually she tried to take her own life. "I'd been feeling that everyone would be better off without me."

Donna's partner encouraged her to seek help, and she was referred to Veterans NHS Wales. She started working with a therapist, who helped her rebuild her confidence. When she was ready to re-enter employment, Donna received vital support from two organisations we are proud to fund – the Poppy Factory and RBLI's Lifeworks programme.

Donna now works as a Family Support Officer at The Family Foundation, where she has initiated a programme to support veterans and their families.

"IT'S FANTASTIC TO BE ABLE TO MAKE A DIFFERENCE AND OFFER EMOTIONAL SUPPORT TO PEOPLE I CAN RELATE TO."

DONNA

Chris served in the Army Air Corps until a foot injury ended his Army career. We awarded him a grant towards a cycle mechanics course, enabling him to pursue his dream of becoming a self-employed cycle repairman.

OVER 500 PEOPLE
were helped into employment following participation in the programmes we support

WE SPENT £290,000
on education support for individuals, including training fees

OUR GRANTS TO OTHER CHARITIES INCLUDED
some £267,000 to the RFEA to enable its comprehensive employment support and job-finding service; and £60,000 to The Poppy Factory's programme that supports wounded, injured and sick Army veterans into employment or during their first year in a role

CHARITABLE ACTIVITIES **INCREASING MENTAL FITNESS**

Safeguarding the mental and physical wellbeing of the Army family is a key priority.

We provide wide-ranging assistance to ensure that serving and former soldiers can access specialist treatment and support, including those with complex mental health conditions. This ranges from funding a young soldier to receive counselling for childhood trauma; to enabling an older veteran to access virtual peer support while they manage the symptoms of PTSD.

The COVID-19 pandemic has adversely impacted people's mental health both here in the British Isles and across the world. We have been working closely with a number of partner organisations to ensure that the Army family receives timely, appropriate help. When the pandemic struck we acted swiftly to award Combat Stress a £250,000 grant towards their operating costs, which included adapting their service provision over lockdown.

OUR GRANT OF £7,500 to Thistle directly supported 25 vulnerable veterans who were using its service, which helps people living with disabilities and long-term conditions to improve their quality of life

ETHAN'S STORY

Former soldier Ethan struggled with PTSD and alcohol dependency after leaving the Army. Now, with a little help from our charity, he is looking forward to the future. Assigned female at birth, Ethan joined the Women's Royal Army Corps in 1990 shortly before his 18th birthday. He deployed on operational tours of Northern Ireland and Bosnia, which left a lasting impact on him.

Ethan is transgender, and began transitioning in the early 2000s. The strain of this process exacerbated his service-related PTSD and alcohol dependency. Eventually, he lost his job and home and spent eight months sleeping in his car. "I had nowhere to turn. All I had was a car with my life inside it." Ethan turned to SSAFA, our longstanding partner, and was assigned a caseworker.

We awarded Ethan a grant for accommodation and meals while he completed rehabilitation for his alcohol dependency. He completed the course and is now working full time as a gardener.

"I'M GETTING BACK ON TOP AND LOOKING TO THE FUTURE WHERE I DIDN'T THINK I HAD ONE. IT'S ALL GOING TO BE OK."

ETHAN

OUR GRANT OF £30,000
to We Are With You supported the charity's 'Right Turn' programme, which aims to reduce substance misuse by veterans across England, helping to prevent unemployment, debt, family breakdown, homelessness and suicide

OUR GRANT OF £15,000
to Hft supported beneficiaries in the Army family who are living with learning disabilities - including enabling support for family members who care for them

The Matthew Project is one of 43 charities and organisations we support. In FY20-21 we awarded a £15,000 grant towards its 'Outside The Wire' project, a bespoke drug and alcohol service offering confidential advice and support to serving and former Armed Forces personnel and their families across Norfolk, Suffolk and Essex.

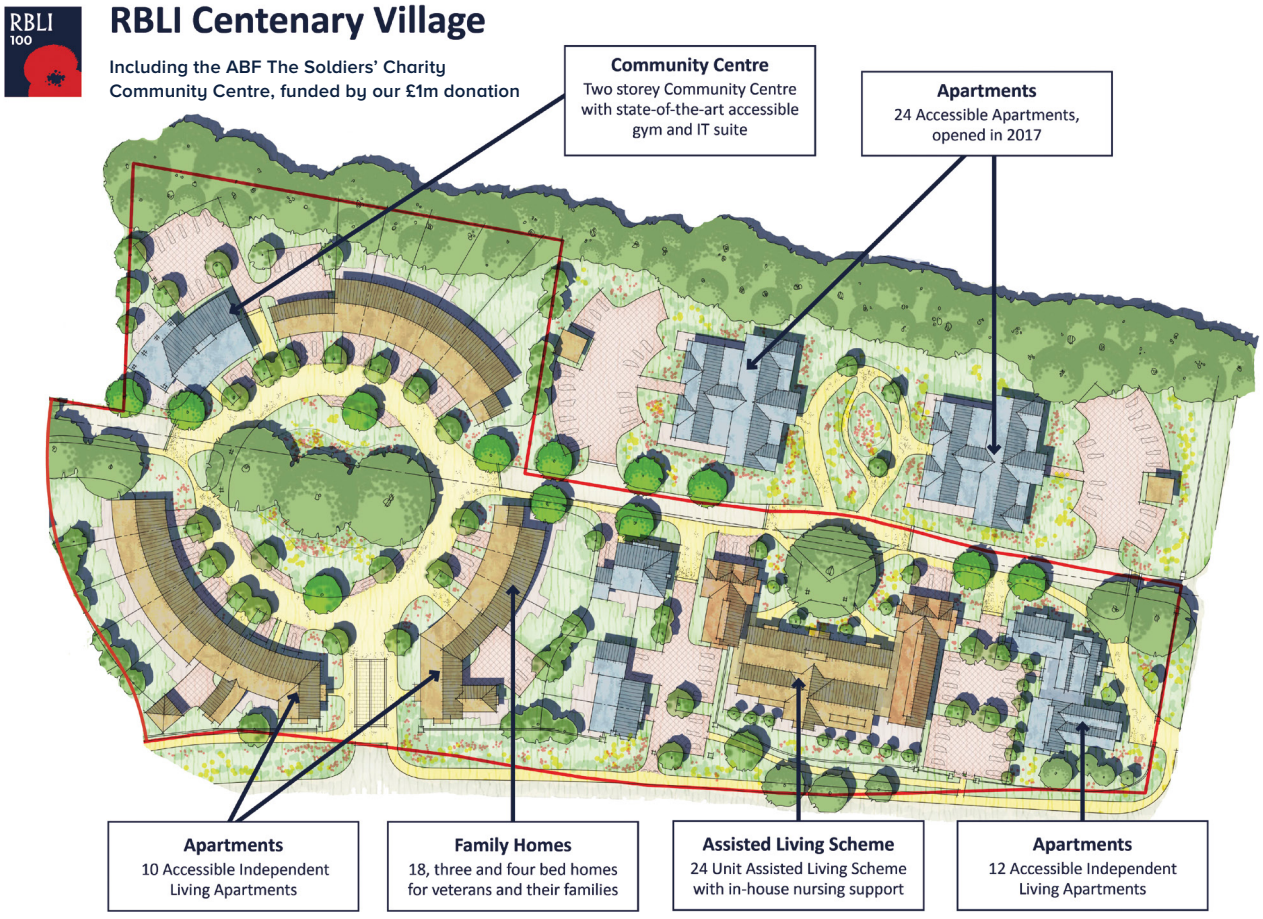
CHARITABLE ACTIVITIES
ENSURING THE PROVISION OF SUITABLE HOUSING

We are committed to ensuring that soldiers, former soldiers and their families can live in safe and comfortable homes.

We are here to support the Army family with any housing issues they may face. That might involve awarding grants for urgent repairs or helping an individual in financial distress to avoid eviction and homelessness.

We also fund a range of leading charities and organisations that provide suitable accommodation for soldiers, past and present, and their families across the British Isles. One such organisation is Launchpad, which provides accommodation and communal facilities for homeless veterans. This year, we awarded over £23,550 to Launchpad to cover a range of services, including a Specialist Case Worker at its Avondale House property and welcome packs of bedding and toiletries for new residents, who often arrive with no possessions of their own.

Also of note is our £300,000 grant to Royal British Legion Industries (RBLI) – the final tranche of £1m we are providing to support RBLI's Centenary Village, which provides housing, welfare support and care to over 300 members of the Armed Forces community.



We made grants **TOTALLING £980,000** to individuals with housing needs

£361,998 WAS SPENT on essential furnishings and domestic appliances for individuals in need

WE SPENT £393,550 on grants to other charities addressing veterans' housing issues

Our £300,000 grant to RBLI will go towards the ABF The Soldiers' Charity Community Centre in the heart of its Centenary Village, which is currently under construction in Aylesford. Once finished, the site will provide housing, welfare support and care to over 300 members of the Armed Forces community. This takes our total contribution towards the Centenary Village to £1m over the past four years.

KUZIVA'S STORY

Kuziva left the Royal Horse Artillery to pursue his passion for nursing. During his studies, Kuziva and his wife, who have two young sons, struggled to support their family on a minimal wage.

When his boiler broke, the family could not afford a replacement and Kuziva became desperately worried. We supported him with a grant for a boiler replacement to ensure his family could be kept safe and warm. During the COVID-19 pandemic, Kuziva worked as an intensive care nurse, caring for critically ill patients. He says: "I saw some of the sickest COVID patients. Some managed to recover, but I saw the worst as well. I continued in this role throughout the pandemic, working shift hours as well as undertaking further nursing training."

Our support at this juncture meant Kuziva was able to continue focusing on his nursing training and care for the most vulnerable in our community, free from worry about his family's wellbeing.

"I WORKED IN INTENSIVE CARE, NURSING SOME OF THE SICKEST PATIENTS. SOME MANAGED TO RECOVER BUT I SAW THE WORST AS WELL."

KUZIVA

SUPPORTING THE MILITARY WELFARE ECOSYSTEM

We take great care and invest substantial resource in playing a key role in the military welfare ecosystem, collaborating with our sister Service charities (the Royal Naval Benevolent Trust, the Royal Navy and Royal Marines Charity and the Royal Air Force Benevolent Fund), other charities that support the Army family, government, and the Army, to ensure we have a comprehensive picture of need and can guard against duplication of effort. This will be ever-more important in the face of the challenges emanating from the pandemic.

This financial year we have spent £2.09m on activities that directly enable and support our grant-making programmes; and are key to ensuring soldiers, veterans and their immediate families' needs are met in a timely and effective manner.

FUNDING CASEWORK

All our grants are made in partnership with the Regimental and Corps charities and are supported by detailed casework as a key element of our governance procedures. These organisations aim to help all those who currently serve or have served in their respective Regiments or Corps (including any antecedent Regiments/Corps) and who find themselves or their dependants in need. We rely on organisations such as SSAFA and The Royal British Legion (TRBL) to undertake casework. Both SSAFA and TRBL train volunteers and staff to visit soldiers, veterans and their families and report on the need as they find it, including a review of their financial situation. In FY20-21, we spent £200,000 on behalf of the Army funding SSAFA to ensure that need could be speedily assessed.

FUNDING THE CASEWORK MANAGEMENT SYSTEM

Nearly all individual grants we make, some 3,111 this financial year, are via the presentation of casework on the Casework Management System. This digital platform enables detailed information to be passed securely between Regimental and Corps charities, caseworkers (such as SSAFA) and grant makers (such as The Soldiers' Charity) – and enables grants to be paid out quickly. This system continues to require substantial investment of both money and staff time from us to ensure data is secure and to guarantee that those in need can have their case assessed and, if appropriate, have a grant disbursed to support them as quickly as possible.

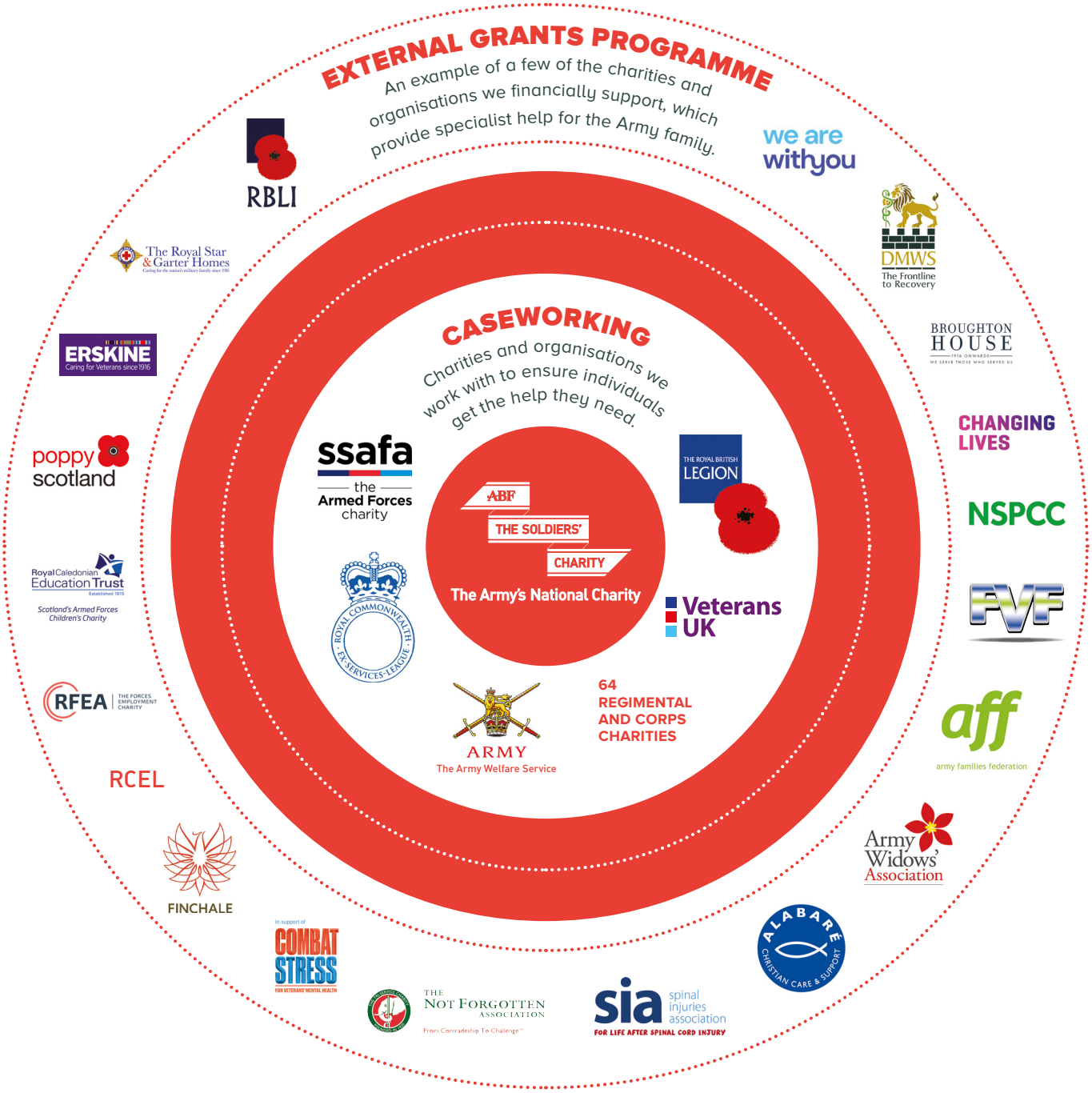
DUE DILIGENCE

Our governance process is at the heart of all we do, and accordingly substantial staff resource is invested. Applications from partner charities are assessed by our Grants Committee, which considers the long-term impact of each project, its financial sustainability and organisational credibility prior to reaching a funding decision. Grantees are monitored and evaluated on an annual basis, including regular project visits, which are often Trustee-led, to ensure that we fund only the most efficient and effective interventions. These visits also help to provide an overall picture of the military welfare ecosystem and assist us with gauging the 'need' landscape.

ADMINISTERING FUNDS ON BEHALF OF OTHERS

We continue to administer funds on behalf of the nation, such as the Falklands Fund, Gulf Fund and Afghanistan Fund. These primarily provide very long-term support to veterans wounded or injured in those conflicts, as well as their families. These funds are subject to the same governance processes and staff resources, but we have absorbed the costs associated with their management in the interest of efficiency, partnership and collaboration – ensuring that optimal financial support is obtainable and distributed to those in need. It is worth noting, in the current COVID-19 climate, that these long-term funds have never been more important, as they mean we can continue to provide support when external circumstances bring challenges.

OUR SUPPORT TO **THE MILITARY WELFARE ECOSYSTEM**



HOW WE HELP: MECHANICS OF BENEVOLENCE

Our grants programme provides a comprehensive package of support to serving and former members of the British Army and their immediate families. Our priority is our individual grants programme, which this year assisted 3,111 individuals and families.

OUR SUPPORT FOR INDIVIDUALS AND FAMILIES: WHO WE HELP

We are proud to support the whole Army family. Those eligible for our help are as follows:

- Members and former members of the Regular Army who have completed adult basic training. Exceptionally, individuals who are medically discharged as a direct result of an injury sustained during their basic training will also be supported.
- Dependent spouses/civil partners, widows, widowers, children and other immediate family members.
- Members and former members of the Army Reserve (and their dependants as outlined above), providing they have completed one year's satisfactory service, including Phase 1 training. Exceptionally we will provide support for a lesser period of service if the death, injury or distress arises from any action or incident while on military duty or the soldier had deployed on a designated operation.

HOW WE HELP

In the case of serving soldiers and their immediate families, the soldier will contact their Unit Welfare Officer, Personnel Recovery Officer, Resettlement Officer, or the Army Welfare Service in the first instance. We then stand ready to assist with funding as appropriate.

Many cases we support relate to veterans and their immediate families. Generally, cases will initially be submitted to the appropriate Regimental and Corps charity. We provide support through our partnership with these charities, dealing with around half of all cases presented to them.

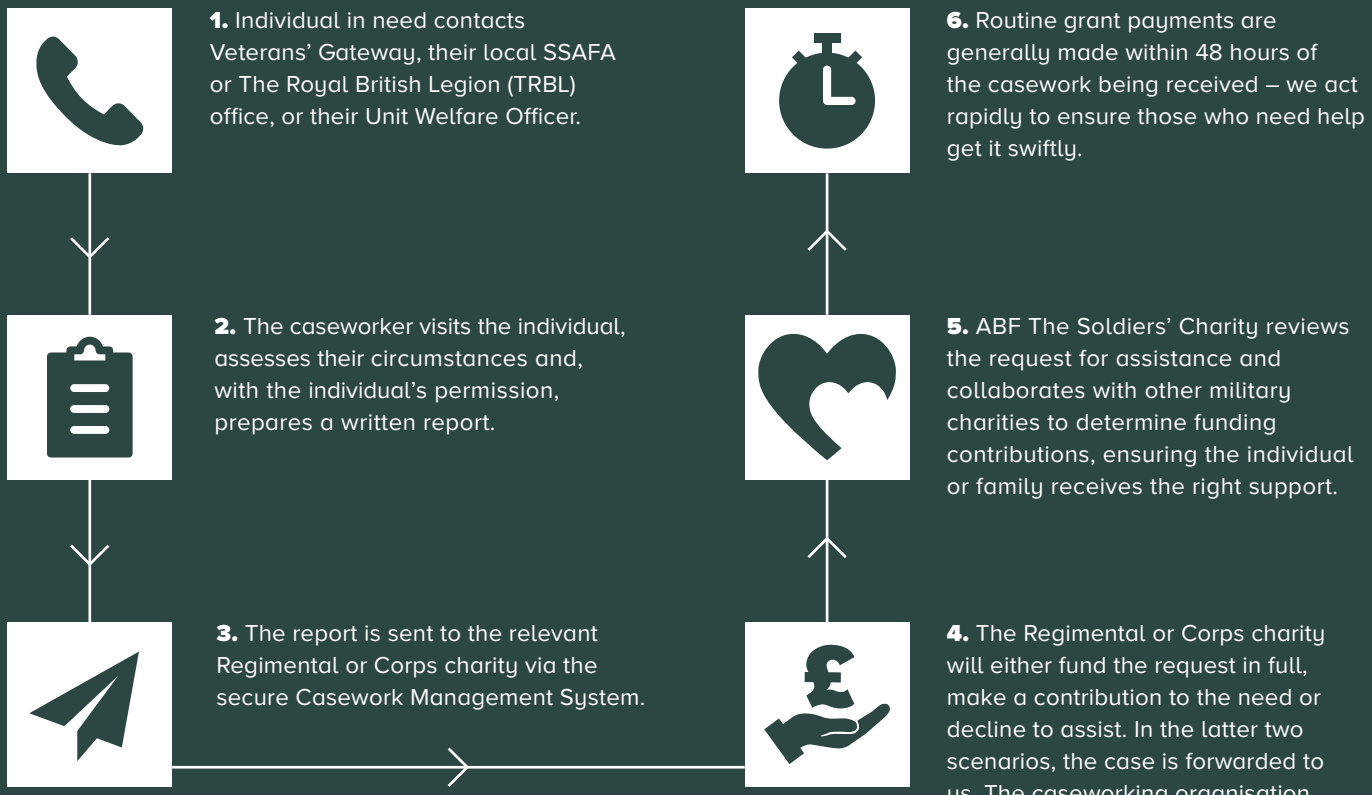
All cases are considered on their merits. Underlying every case is a clearly identified individual case of need that cannot be met by other sources.

COLLABORATION IS KEY

Since 1944, ABF The Soldiers' Charity has worked in partnership with the Regimental and Corps charities to ensure that all soldiers, past and present, and their immediate families have equal access to welfare support. Our grants to individuals also depend on the efforts of caseworking organisations such as SSAFA and The Royal British Legion (TRBL), which conduct the casework necessary for us to provide financial assistance. The diagram on the right sketches out a typical support pathway for an individual in need of help.

WE ARE ONE OF THE BIGGEST PROVIDERS OF GRANTS TO OTHER CHARITIES AND ORGANISATIONS IN THE MILITARY CHARITY SECTOR.

TYPICAL SUPPORT PATHWAY FOR **AN INDIVIDUAL IN NEED OF HELP**



OUR SUPPORT FOR OTHER CHARITIES AND ORGANISATIONS

Our priority will always be our individual grants programme, but it is important to note that we are one of the biggest providers of grants to other charities and organisations in the military charity sector. Our well-established and substantial grants programme provides vital funding for other charities and organisations that support the Army family.

The broad range of charities and organisations that we support is extensive and covers every aspect of social care, including but not limited to care for a disabled child, marriage guidance, hospice care, addressing homelessness amongst former soldiers, managing post-traumatic stress disorder and helping disabled soldiers renew their sense of self-worth through sport.

As part of our due diligence processes (outlined on p.24), we have in place established guidelines for applicant charities and organisations. Preference is given to charities and organisations that are members of the Confederation of Service Charities (Cobseo) or Veterans Scotland.

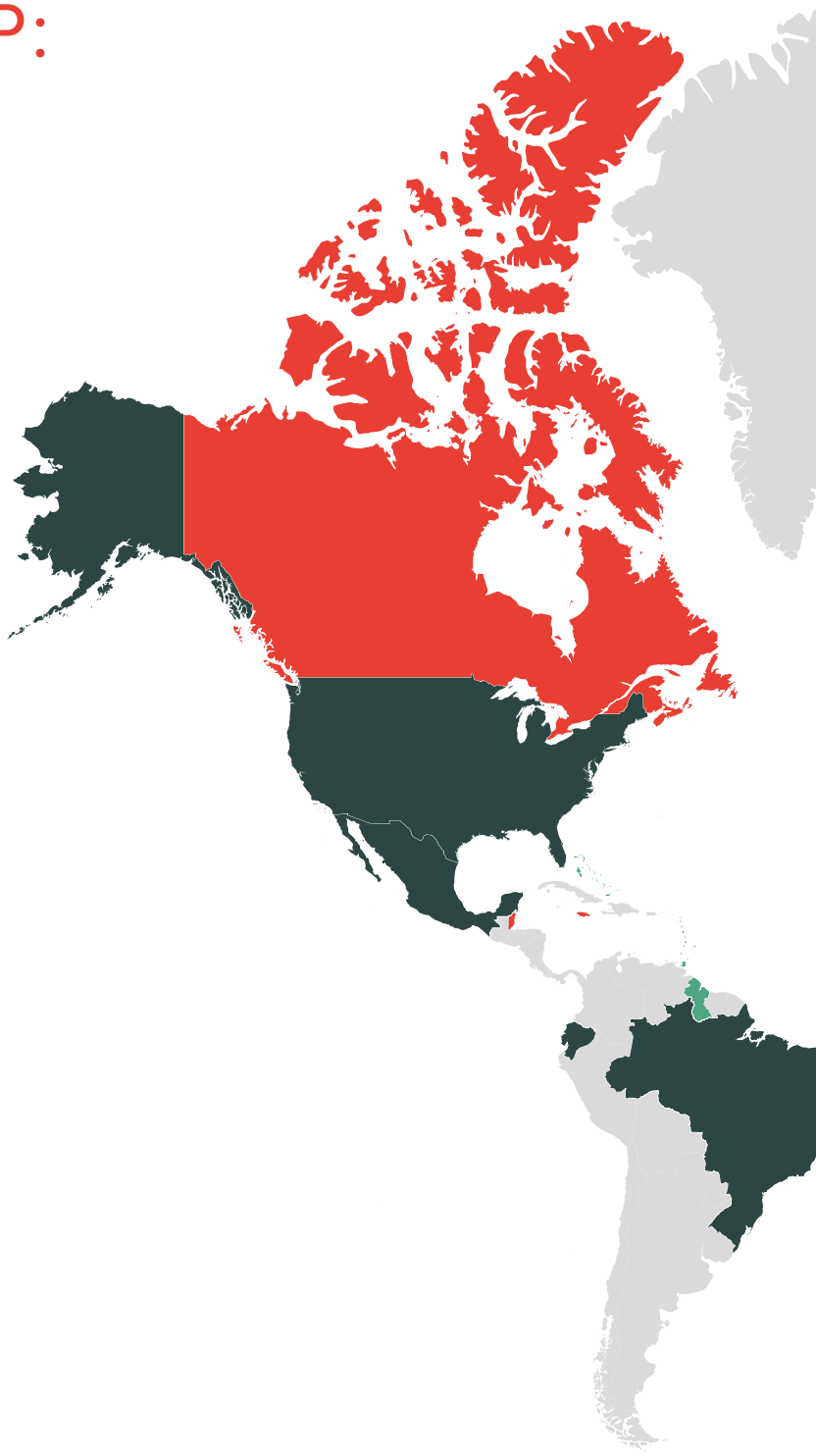
Grant applications are considered individually by our Grants Committee, which includes external sector and subject experts, and confirmed by Trustees. In assessing applications, the following are taken into consideration: the governance and trustees of the organisation, the financial viability of the organisation, the degree of need for the project requiring funding, the amount the organisation spends on administration and fundraising compared with charitable activities, and the ability of the charity to gain sufficient funding for the project from other sources.

Finally, as part of our governance procedures, charities or organisations that are awarded a significant grant are required to complete outcomes reports, so we can gauge the impact of the funds we provide. This year, we funded 43 charities to the tune of £3.5m.

WHERE WE HELP: A GLOBAL FOOTPRINT

Thanks to our supporters, we are able to help the Army family all over the world. The Army continues to recruit extensively from across the Commonwealth and many soldiers and their families later settle overseas, often in places where they have served. In FY20-21, we reached 60,000 people in 63 countries through a combination of grants to individuals and other organisations. A significant proportion of our overseas work is delivered in partnership with the Royal Commonwealth Ex-Services League (RCEL), which assists veterans and their spouses in 48 countries across the Commonwealth.

Here are just some of the ways your support made a difference to soldiers, former soldiers and their families around the world.



KEY

- **Our individual grants**
- **Grants made through RCEL**
- **Countries where both our individual grants and grants made through RCEL are delivered**

One of the ways we helped in:

ECUADOR

We awarded a grant to a former soldier who needed to purchase a mobility scooter following major surgery to both knees.

One of the ways we helped in:

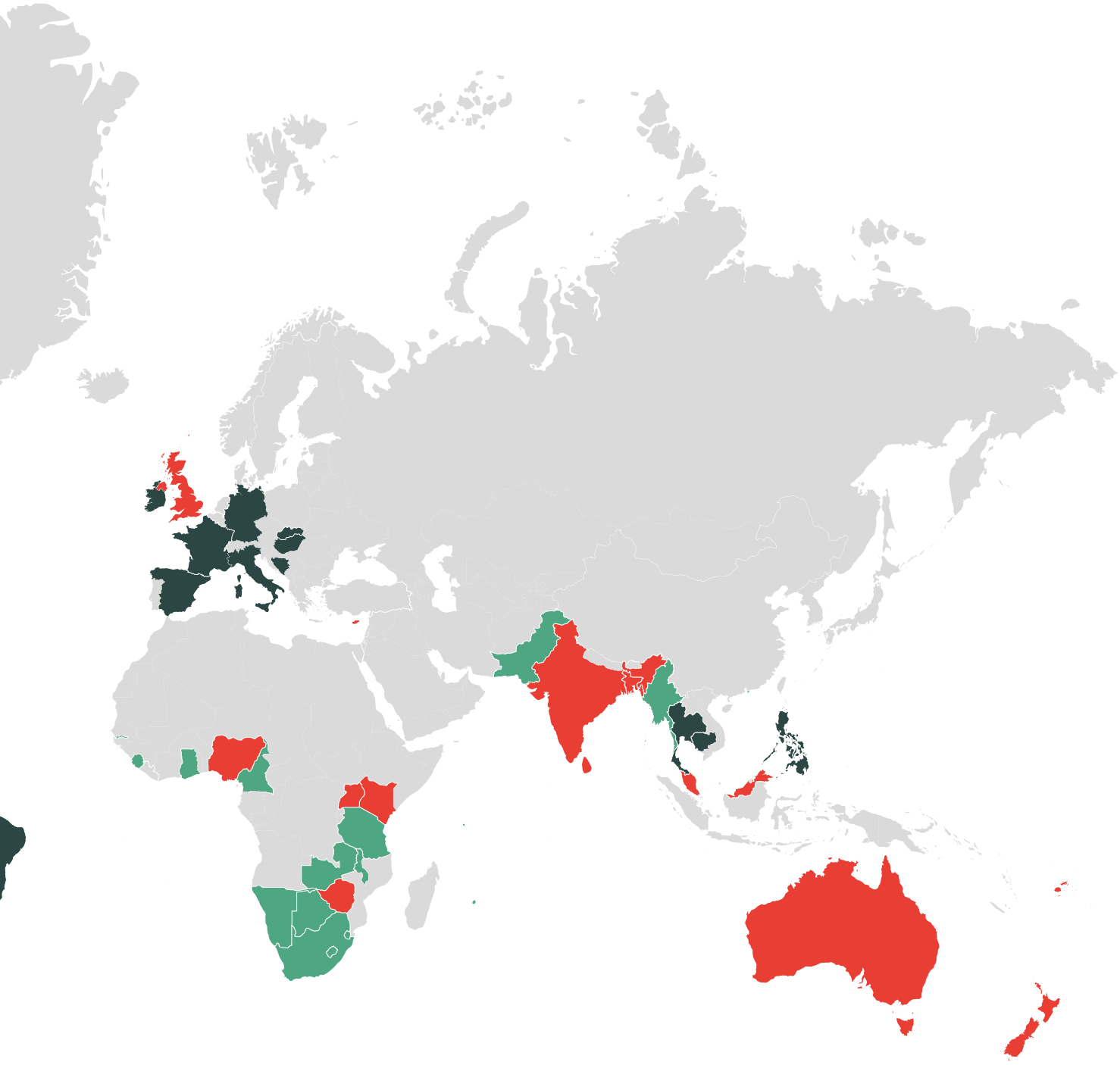
JAMAICA

We contributed to the cost of a new minibus for the Curphey Home in Jamaica, where several elderly veterans reside.

One of the ways we helped in:

GERMANY

We helped a soldier's former wife and their child to purchase furniture following a house move during the COVID-19 pandemic.



One of the ways we helped in:

KENYA

We made a contribution towards care costs for an elderly veteran who had served the British Crown in Kenya.

One of the ways we helped in:

AUSTRALIA

We awarded a grant to a disabled veteran who was struggling to provide for his family after being made redundant.

One of the ways we helped in:

FIJI

We helped a Fijian veteran to rebuild his house after Tropical Cyclone Harold destroyed his family home.

FUNDRAISING

We could not annually assist more than 60,000 members of the Army family across 63 countries without our fantastic supporters. We are extremely grateful to every person and organisation that makes our grant-making possible. The impact of the pandemic during the last year has made this more important than ever.

At the end of the previous financial year (FY19-20), the Headley Court Charity very generously donated £1m to our charity. Given the pandemic, this donation has been enormously helpful in enabling us to sustain our grant-making activities. Specifically, it has helped us deliver very substantial support to the Defence Medical Welfare Service (see p.11); as well as to We Are With You, which achieves significant outcomes for those dealing with substance misuse; the Spinal Injuries Association; and also Care for Veterans, which provides care and rehabilitation to those with neurological and medical disabilities. Furthermore, we have developed our relationship with the Defence Medical Rehabilitation Centre, with a firm intent to continue our cooperation and collaboration where appropriate.

In what has been an extremely difficult year for us all, we have been grateful that many of our long-term supporters have continued to donate to us, despite cancellation of income-generating activities. In particular, we would like to acknowledge The Royal Edinburgh Military Tattoo, which provided a grant despite cancellation of the Tattoo; and The National Garden Scheme, which overcame a range of logistical issues to open their gardens and nevertheless gifted our full grant amount. Although the Wimbledon Championships did not take place, The Wimbledon Foundation still supported our beneficiaries with housing needs. Similarly, many of our corporate supporters faced challenges this year, including RIFT Ltd, BAE Systems, Oshkosh and MBDA and still donated to our work. Finally, Regimental Charities including the Army Air Corps Fund, Gurkha Welfare Trust, REME and RLC have also made notably generous donations. By continuing to stand with us, they all ensured we were able to achieve our key aim of sustained support to those soldiers, veterans and their immediate families most in need.

We have also been humbled by the generosity of our other supporters during the past year as the pandemic took hold of every aspect of our lives. We had to cancel or postpone the vast majority of our physical fundraising events from mid-March 2020, and have been astonished by the number of people who have refused refunds, deferred their places or taken part in one or more of our virtual events. This support has allowed us to maintain our grant giving under the most difficult circumstances any of us could have foreseen.

FUNDRAISING STANDARDS

We adhere to the highest fundraising standards. Our fundraising success is directly related to our reputation and we go to great lengths to protect the public, including vulnerable people, by, for example, avoiding cold calling, street 'chugging' or any other practices that are not in line with The Soldiers' Charity's values. We are committed to the Fundraising Regulator's Code of Fundraising Practice to ensure we meet the highest standards, so supporters and volunteers can give and fundraise with confidence and trust.

OUR BEHAVIOUR

We promise to always show respect and never pressure anyone to make a donation. We want the decision to give to always be an active choice on the part of the giver and we are particularly sensitive when dealing with vulnerable people. We have a comprehensive supporter-engagement policy, which incorporates all elements of fundraising and associated activities. We do not sell personal details to other charities or other third parties. We only share personal information with suppliers that we engage to process data on our behalf; and such processing is only conducted under formal data processing agreements.

SAFEGUARDING

The Soldiers' Charity is proactively committed to safeguarding children, young people and vulnerable adults with whom staff, or any organisation acting on our behalf, come into contact during fundraising, benevolence or outreach activities. We comprehensively reviewed our safeguarding policy in 2018, taking expert counsel, and we continue to update and improve it, including a full annual Trustee review, to ensure it is fully up-to-date and fit for purpose. We take all reasonable care to protect our beneficiaries and supporters, and comply with all relevant legal obligations and statutory guidance. Safeguarding is integral to our recruiting process. There is also a documented procedure for reporting serious incidents to the Charity Commission and relevant statutory bodies. In FY20-21 there were no such matters to report.

ACCESSIBILITY

We make it easy for people to get in touch with us either by phone, letter or email. Whether someone wants to ask a question about our work or how we spend donations, or wants to find out about an event we are organising, or to update their communication preferences, we pride ourselves on being responsive and accessible. Over the last year, and including periods of full lockdown, a small skeleton staff has worked from our national headquarters to make absolutely sure mail is opened and phones are answered promptly so nobody is ignored. As you would expect of the Army's national charity, our mantra has very much been to continue supporting the Army family during these exceptional times – rather than use the pandemic as an excuse for delay or inaction. And, of course, we have a complaints process in place, should any supporter be unhappy or express concerns about our activity; and complaints received this financial year remain at a very low level.

COMPLYING WITH GDPR

The General Data Protection Regulation (GDPR) came into force in May 2018 and was subject to a significant update in the wake of the UK's departure from the EU; and implementing it has not been without its difficulties. In order to take forward the raft of complex and often inter-related technical and procedural issues, we have established a Data Management Working Group (DMWG), which meets regularly to resolve issues, agree priorities and impose better coherence on how data is managed within the charity.

INFORMATION SYSTEMS

We have modernised and raised the standard of our technical processes and infrastructure that support fundraising. Importantly, this has been achieved without increasing the budget; our highly-skilled IT team has removed the need for costly third-party support. On-premises solutions for file storage and sharing, telephony and so on have been replaced with the Microsoft Office 365 stack of services, which enables far more efficient working regardless of home/office location. We have also taken advantage of gratis offerings from the likes of Microsoft and Amazon, such as free cloud storage. This progress has continued to improve the performance, reliability, security and compliance of our information systems. Security has been a critical priority, given the significant additional vulnerabilities of home working.

RELATIONSHIPS WITH AGENCIES AND COMMERCIAL PROVIDERS

We have a small in-house fundraising team and we employ external agencies to add additional expertise or capacity, for example event-management companies when we are organising large-scale events. This is more cost effective than trying to do everything ourselves. We always ensure signed contracts are in place.

Friday Night In - Clare Balding (see p.32)

Operation Bletchley has been a very successful virtual event, raising a six-figure sum during FY20-21

Kim Wilde attending the Lord Mayor's Big Curry Lunch Garden

FINANCIAL HIGHLIGHTS

OVERVIEW

At the outset of the year, and given the uncertain scale and outcome of the pandemic, the Board rapidly reset our budget to better reflect our sense of the situation. In the event the budgeted net expenditure of £3.04m was substantially improved upon to deliver an eventual net expenditure of £460k.

On the downside, our normal 600-plus fundraising events were almost entirely lost and other sources of income such as corporate activity were similarly very challenging. On the other hand, the charity moved quickly to further exploit our existing capability to mount significant virtual events; many of our supporters went out of their way to provide further help, and legacies flourished.

Overall, our sense is that our broad and varied fundraising activities, and a distinct slant to long-standing relationships, have stood us in very good stead over this unique period of difficulty. We were also well placed to enter this exceptional period because we had taken advantage of robust investment valuations in the previous year to reinforce our cash position; and we also took advantage of a Barclays Coronavirus Business Interruption Loan Scheme (CBILS) loan of £2m to provide further resilience, although in the event it was not required. Finally, the use of flexible furlough allowed us to align activity with operating costs from December 2020 onwards.

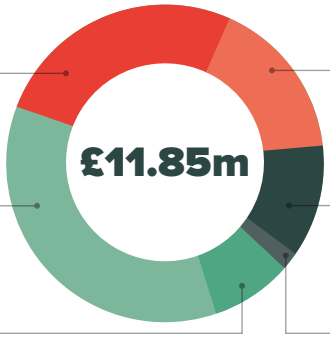
As a charity, we benefit from the generosity of a number of organisations who give freely of their time, energy and financial support. There are too many to name here but we are grateful to them all. As well as the organisations already mentioned on p.30 of this report, special thanks this year must go to: The Soldiers Fund (USA), the Utley Foundation, Robert Galbraith Ltd., the Covenant Trust, the Virtual Lord Mayor's Big Curry Lunch Committee and The PF Charitable Trust.

We are also grateful to the Army Dependants' Trust, which has again made a substantial contribution towards our work – and in particular our continuing ability to sustain support to the bereaved over the long term. Our ongoing relationship and coordination with the Army Dependants' Trust, and indeed the Army Central Fund, is vital because it enables the most effective use of Army charitable funding on behalf of serving soldiers, veterans and their immediate families. We would also like to express our gratitude to the Chancellor of the Exchequer for LIBOR funds, which have contributed to two significant projects: the Defence Medical Welfare Service (see p.11) and the Army's HQ Regional Command programme to help improve the experiences of children growing up on Army bases around the UK.

We have further stress tested our ability to continue to meet our obligations for the foreseeable future. That includes continued use of flexible furlough where it is appropriate. In autumn 2021, Trustees will take stock of what the period beyond the current circumstances might look like and how we can best adapt.

Friday Night In was just one virtual event we ran in FY20-21, which raised over £23,000 and featured Clare Balding, John Simpson, Simon McCoy and General Lord Dannatt.

WHERE OUR FUNDING CAME FROM



£3.15m
Donations and appeals

£4.18m
Legacies

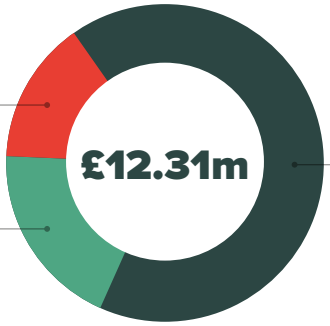
£0.95m
Other trading activities

£2m
Donations from Regimental & Corps charities and individuals in Army Units

£1.38m
Income from investments

£0.19m
Government Covid Emergency Fund

HOW WE SPENT AND ALLOCATED MONEY

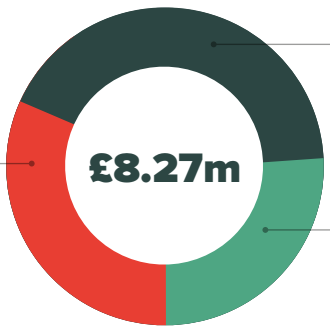


£2.28m
Raising funds

£1.76m
Other trading activities, including events

£8.27m
Charitable activities

HOW WE SUPPORTED THE ARMY FAMILY



£2.63m
Grants to individuals

£3.54m
Grants to other charities and organisations

£2.10m
Supporting the military welfare ecosystem (see page 24)

FINANCIAL HIGHLIGHTS (CONTINUED)

As detailed earlier in this report, our charitable expenditure was £8.3m, representing a decrease of 25% on last year (excluding the additional LIBOR-related grant to the Regional Command of a net £1.1m in FY19-20). Whilst there is clear evidence that significant need in our community persists and has probably been exacerbated by this very difficult year, demands on our resources have been well below normal levels. The reasons are various but the requirement for individual grants was suppressed and many delivery charities cancelled or curtailed projects. At no stage were grants reduced or applications rejected because of lack of available resources – although we do have an increasingly sharp eye on whether organisations seeking funding are sustainable given current pressures.

The total cost of raising funds was £4.04m (FY19-20: £5.93m) reflecting amongst other things a substantial reduction in planned events and therefore lower costs. The use of flexible furlough also helped reduce our staff costs. We continue to bear the total cost of raising and administering funds, with the proceeds being passed on for free to the 43 partner charities and organisations we supported this year.

Total expenditure decreased to £12.3m (FY19-20: £18.1m), reflecting both significantly reduced charitable spend and heavily suppressed activity levels reducing operating costs.

We are delighted to have been able to continue making a real and significant difference to the Army family, whether serving or retired, under even these most difficult circumstances – and are steadfast in our commitment to being able to provide this support for soldiers, veterans and their families for the very long term. A key element this year has been support to the serving community, for example by funding welfare officers in many NHS hospitals, so allowing the Army to better focus on supporting the nation's fight against COVID-19.

INVESTMENT MANAGEMENT

Our overall investment objective is focused on capital growth of the investments in real terms with an appropriate return from our income units.

At the year end, the charity held long term investments with a market value of £82,766k and short-term cash deposits of £5,005k (2020: £70,583k and £1,504k respectively). Values were impacted by exceptional year-end volatility as we entered the COVID-19 crisis but markets recovered surprisingly quickly and even moved beyond valuations at the end of last year. The charity's long-term investments continue to be held in BlackRock Armed Forces Charities Growth & Income Fund and the CCLA Common Investment Fund with the aim of achieving a balance between the two investment managers.

Our investment performance and holdings are reviewed regularly by the Finance & Investment Committee against our investment objectives and its benchmarks. Both investment managers have performed satisfactorily, or better, in difficult market conditions.

RESERVES

Our reserves policy is set to ensure that our work is protected from the risk of disruption at short notice due to lack of funds, or indeed sudden pressures on the Army and its people in this very uncertain world. At the same time, we need to ensure that we do not hold income or capital for longer than required – but equally we must ensure that we meet our strategic imperative to act 'for the long haul'. The current crisis serves to reinforce the importance of adequate reserves, both to cover our own needs and those of the organisations which may depend on us.

We aim to hold free reserves (defined as unrestricted general funds) representing twelve months of budgeted core expenditure for the next financial year (equivalent to £13.2m in unrestricted reserves) to reflect our commitments to grants delivery, our staff and other stakeholders should our annual income not meet our expectations.

Total funds at 31 March 2021 were £93.9m (2020: £77.9m). Of these, £7.9m (2020: £7.2m) was restricted to specific purposes by the donors. A further £53.8m (2020: £55.2m) represent designated funds. These include substantial funds such as the Afghanistan Fund, which is solely for families affected by this conflict. We are privileged to administer these funds on behalf of the nation. We willingly absorb the cost of managing these funds in the interest of efficiency, partnership and collaboration – ensuring that optimal financial support is available and delivered to those in need.

Designated funds also include money that has been set aside to ensure we, and by extension the wider Army family of Regimental and Corps charities, can meet the needs of our current and future beneficiaries against potential future risks such as a collapse in investment values or adverse changes in government policy, for example in relation to elderly care. This strategic reserve underpins the fundamental purpose of The Soldiers' Charity – established as it was by the War Cabinet in 1944 to act as the Army's backstop in times of exceptional need.

Finally, our designated funds also cover remaining LIBOR funding that will be disbursed for specific projects in partnership with the Army's Regional Command; and a

sum to cover our eventual relocation from the current head office. The latter is a strategic issue for us, given our role as landlord to six co-located charities, and our continuing wish to drive efficiency across our sector.

The balance of our unrestricted general reserves at 31 March 2021 was £32.1m (2020: £15.5m), which is significantly more than our target. The increase in free reserves is mainly attributable to unrealised gains on investments.

Our Board is clear that the fundamental purpose of accumulating reserves is to mitigate unanticipated risks (such as major conflict and indeed the recent pandemic) and to bring strategic impact to bear on the sector when opportunities arise.

This year our reserves position clearly changed as a result of the coronavirus pandemic. Markets plunged, resulting in significant losses as at last year-end, but then substantially recovered. We continue to take a long-term view and manage our resources accordingly. That said, we found it necessary to make available more cash, and Trustees are fully prepared to draw down further from the reserves in FY21-22.

Full details of the reserves and our reserves policy can be found in the Notes to Accounts (see notes 17-20).

RISKS AND UNCERTAINTIES

Trustees place considerable importance on achieving compliance with employment, health and safety and other relevant legislation. The Board of Trustees reviews major risks at each meeting and ensures that the senior management team has taken all reasonable measures to manage these risks.

Risks are graded by likelihood and severity, including measures to mitigate them. In the event of a major situation involving or otherwise affecting The Soldiers' Charity, business continuity and disaster recovery plans are in place, and were of course fully tested in the final month of last year.

The Soldiers' Charity's solicitors review the principal charity policies on a regular basis and all other policies are reviewed periodically by the senior management team.

In the certain knowledge that we will need to continue to provide support to soldiers, veterans and their immediate families for many decades, we regularly update and review our financial plan, reserves and investment policies. Internal financial controls are reviewed by the Finance & Investment Committee on a regular basis.

This year, whilst we are very conscious of the need for any organisation to continuously check and improve the management of risks, in practice this has proven difficult given the relentless and necessary focus on fighting the short term 'battle' associated with the pandemic. In particular, it has proved difficult to comprehensively 'end to end' check some of our more complex processes given the extent of our remote and distributed working. That said we have begun to make significant inroads into this requirement in the last month of the financial year.

The Trustees have declared themselves satisfied that major risks have been identified and adequately mitigated, wherever reasonably practicable. It is recognised that systems can only provide reasonable not absolute assurance that major risks have been adequately managed.

PLANS FOR FUTURE PERIODS

This year has been obviously dominated by the huge and unprecedented impact of the global COVID-19 pandemic. Its wide-reaching and enduring effects are likely to continue through 2021 and beyond, having a significant financial impact on the charity and the whole sector, not only imposing a significant burden and frictions on our organisation but also reducing our opportunities for raising income. We drew further down our reserves as appropriate, made use of furlough in a flexible and intelligent way and have taken further steps to adjust our operations to meet the new challenges, for example reinforcing our innovation through several successful virtual events at both national and regional level.

The pandemic is not the only uncertainty; indeed, it may prove not to be the biggest. Our sector already faced substantial potential change, some of which has been accelerated, increased or perhaps ameliorated by the COVID-19 crisis. Examples include the rapidly declining size of our beneficiary base; a sadly continuing outstanding need to fundamentally reform the nation's provision of health and social care including for the elderly; the status of the Armed Forces community in society; the impact of the Integrated Security Review (ISR) and other radical underlying change on the Army, and therefore tangentially on us; some impact of Brexit (on an Army community with a large non-UK dependency); increasing governance and regulatory compliance changes; and a longstanding need to evolve a very particular Service charity sector.

Going forward, The Soldiers' Charity's approach will be to maintain our resilience in sustaining our activities and outputs, ensuring that we remain effective and well positioned to continue to support the whole Army family with substantial grants; and demonstrating our relevance and leadership whilst engaging effectively with our supporters to retain their goodwill and continuing support. We have adapted to new ways of working through COVID-19 'lockdown' and will continue to adapt to the 'new normal' with a flexible but rigorous approach.

FINANCIAL HIGHLIGHTS (CONTINUED)

Notwithstanding the COVID-19 crisis, the underlying demands for charitable support continue to be broadly stable – but we do see potential increases in areas such as employment support, mental wellbeing, domestic abuse and the position of our non-UK dependency.

Our first priority is to continue supporting potential beneficiaries with individual grants, with the distinct possibility of there being significant additional demands on our grant-giving next year. This may need to be balanced by awarding fewer grants to other charities and organisations, as we and our charity partners come under increased pressure from the wider political and economic challenges emanating from COVID-19.

Our past deliberate approach to act as landlord to other co-located Service charities in Mountbarrow House, our national headquarters, has exposed us to the risk of them vacating the building and us being unable to replace them, thus incurring greater rental costs that fall to The Soldiers' Charity. We will be doing our utmost to fill the space with paying tenants and certainly reviewing the lease arrangements prior to the mutual rolling break clause in March 2024. In the meantime, vacant floorspace has greatly helped our ability to provide appropriate safely-distanced working arrangements for all our staff in London.

The Soldiers' Charity must continue to be cognisant of, and adapt to, the new regulatory environment; continue to protect its reputation and engender high levels of trust; continue to be pro-active in engaging, cooperating and coordinating activities between related Service charities and the Army; embrace up-to date digital practice and adapt to becoming a more vibrant and networked business; and have in place a culture of continuous improvement and an unrelenting focus on outcomes.

As we rebalance our own operations, we continue to play a key role in encouraging the wider sector to further collaborate and consolidate. We are clear that the current exceptional circumstances provide opportunities as well as risks. With the financial pressures that have been brought to bear by the current crisis, our sector will face some consolidation and we are key stakeholders in work underway to shape that change rather than merely be subject to it.

Finally, to help guarantee our ability to meet our ongoing commitments without having to liquidate devalued assets, we took advantage of the government's VAT deferral scheme and also borrowed £2m through the Coronavirus Business Interruption Loan Scheme (CBILS), although as mentioned earlier the CBILS loan was not ultimately required. We further released additional capital to guarantee our operations until at least the next financial year. The Board of Trustees is clear that our reserves exist to safeguard our operations in time of crisis, like now, but equally we need to preserve our long-term ability to act as the Army's 'strategic reserve' for benevolence.

GOVERNANCE STRUCTURES, GOVERNANCE AND MANAGEMENT

REFERENCE AND ADMINISTRATIVE DETAILS

ABF The Soldiers' Charity, formerly the Army Benevolent Fund, is a Company limited by guarantee not having a share capital (Company No. 07974609), governed by the Articles of Association of ABF The Soldiers' Charity. The Soldiers' Charity was incorporated on 2 March 2012 and was registered with the Charity Commission on 14 March 2012 (Charity No.1146420). It is also registered with the Office of the Scottish Charity Regulator, the registration number is SC039189.

The Soldiers' Charity is governed by the Board of Trustees, which is ultimately responsible for the organisation's strategic direction. The Board of Trustees is assisted by four trustee-led committees: the Governance Committee, which is responsible for governance policies and procedures; the Finance & Investment Committee, which is responsible for oversight of all aspects of The Soldiers' Charity's financial policies and operations; the Grants Committee, which provides direction and scrutiny of all grant-giving; and the Fundraising & Marketing Committee, which provides expert guidance on The Soldiers' Charity's approach to fundraising and marketing.

Trustees are appointed for an initial period of three years, which can be extended for up to two further three-year periods. No trustee can serve for a consecutive period of more than nine years, except when approved by a majority of the other Trustees by special resolution. Two Trustees (Damien Francis and Peter Baynham) retired in late 2019, but given the planned retirement of a number of Trustees in early 2022, the opportunity was taken to replenish and diversify the Board further. In the event, four highly qualified Trustees from a very wide range of backgrounds were selected through external recruitment.

On appointment, each Trustee undergoes an induction programme tailored to their knowledge and experience – albeit somewhat constrained under current circumstances. All Trustees are offered briefings on charity governance, charity finance and their individual and collective legal responsibilities. A register of Trustees' interests is held centrally and Trustees are required to disclose all relevant interests, register them with the Secretary to the Board of Trustees, and in accordance with The Soldiers' Charity's policy, withdraw from decisions where a conflict of interest arises. Trustees receive no remuneration or benefits-in-kind, but are reimbursed for their expenses as noted in the accounts. The Trustees are responsible for the strategic direction of The Soldiers' Charity and, through its committees, for monitoring the activities of the executive staff. Trustees receive and review regular reports from the committees and senior management team. The Board of Trustees met four times in the FY20-21.

The Chief Executive and senior management team are responsible for the day-to-day management of The Soldiers' Charity's affairs and for implementing the strategies and policies agreed by the Board of Trustees.

The Soldiers' Charity provides support for the Army family through a range of other charities and organisations, as shown on pages 10-21. The Trustees are grateful to these bodies, and especially the unpaid caseworkers and other volunteers, without whom we would be unable to meet the needs of our beneficiaries.

The charity is firmly aligned with the Charity Governance Code, closely adhering to the code's seven principles, applying the recommended practices and thus able to continually demonstrate good governance.

GOVERNANCE STRUCTURES, GOVERNANCE AND MANAGEMENT (CONTINUED)

STAFF

Engaged, competent employees are key to the success of the organisation – and never more so than in the current exceptional circumstances. Our sector was already subject to significant headwinds before the current crisis emerged – requiring more innovation and agility across all our activities. With the onset of lockdown just before the start of this year, these qualities were tested to the full. We moved relatively seamlessly to full remote working, based on existing robust back up plans, but supplemented by some further measures which have stood the test of time as circumstances unfolded. From the outset we were determined that lockdown, and whatever might follow, was to be no excuse for not continuing to deliver on all our responsibilities. The staff have responded throughout with energy, innovation and pragmatism – exploiting the benefits of remote working while returning to near-normal office working as circumstances permitted and so building momentum and resilience for the next wave of restrictions. This approach has served us extremely well.

The charity employed an average staff of 85, some of whom are part time. The key management personnel for the charity comprise the Trustees and the senior management team (see page 2 for more information).

APPRENTICESHIP LEVY SCHEME

We have contributed to the government's Apprenticeship Levy scheme in FY20-21.

REMUNERATION POLICY

Making effective decisions in relation to remuneration and reward is crucial to the continued success of The Soldier's Charity's overall aims. We aim to pay competitively against our relevant comparators in the voluntary sector. We draw our benchmark data from 'Croner's Charity Rewards', which gave indicative median salaries for all roles and grades from a very wide selection of national charities in 2020-21. All positions in The Soldiers' Charity are assessed and placed within an appropriate generic pay band, with each pay band divided into increments to allow for job weighting, experience and performance.

We also aim to enhance the organisation's competitive positioning by promoting a total-reward approach, recognising that other aspects of the employment package (such as benefits and development opportunities, as well as the intrinsic moral value of working for a charity) are also valuable to employees.

REMUNERATION REVIEW AND ANNUAL PAY AWARD

Having drawn on inflation index data (HM Treasury and ONS statistics) and taken note of pay settlements for other similar charities, especially in the military charity sector, the Trustees were minded to award an appropriate increase for FY20-21. In the event, given our need to re-set our budget post the onset of Covid, the Board revised their position and agreed a flat 1.9% across-the-board increase, which at that juncture in April was markedly less than other charities were paying. The Board also carefully examined the potential to apply furlough across the staff but decided that would critically impinge on both our fundraising and grant-making activities. That said, from December 2020 the charity utilised the more helpful flexible furlough scheme, which was applied across most staff, calibrated according to the needs of the business by post and function. We continue to pay no performance-related bonuses or retention inducements whatsoever, to any member of staff, irrespective of their position in the organisation. Benefits available to eligible staff include: defined contribution pension scheme; staff travel allowance; group life insurance and a sickness income protection scheme – our travel arrangements have been sensibly adapted to our new circumstances.

In accordance with the Charities Statement of Recommended Practice (Charities SORP), The Soldiers' Charity discloses: all payments to Trustees (our Trustees do not receive remuneration but are reimbursed for valid transport and subsistence expenses) and the number of staff in receipt of more than £60,000 in salary and other benefits (note 9).

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of ABF The Soldiers' Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare the financial statements for each financial year.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group, for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that The Soldiers' Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements have been prepared in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice' applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant material audit information of which the charitable company's auditor is unaware; and
- Trustees have taken the necessary steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Approved by the Board of Trustees and signed on its behalf on 10th September 2021.

LIEUTENANT GENERAL (RET'D)
PHILIP JONES CB CBE DL
CHAIRMAN

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS AND TRUSTEES OF ABF THE SOLDIERS' CHARITY

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

We have audited the financial statements of ABF The Soldiers' Charity ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the charity statement of financial activities, the consolidated and charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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.

CONCLUSIONS RELATED TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' 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 Group and the Parent Charitable Company'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 Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OTHER COMPANIES ACT 2006 REPORTING

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the

financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant 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.

Extent to which the audit was capable of detecting irregularities, including fraud.

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 obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the sector within which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error, the Group's compliance with laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and other laws and regulations applicable to the group such as employment law, taxation legislation, data protection and health and safety legislation. We considered financial performance, key performance indicators and other performance targets. We also considered the risks of non-compliance with requirements imposed by the Charity Commission, and other regulators, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

We also communicated relevant identified laws and regulations, potential fraud risks and that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members including internal specialists audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

As a result of these procedures we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: donations and legacy revenue recognition, events income and furlough claim income. Our tests included:

- agreeing the financial statement disclosures complied with applicable legislation
- enquiries of the Finance & Investment Committee, management and internal audit, review of minutes of meetings of those charged with governance
- reviewing correspondence with HMRC
- audit testing a sample of gift aid claims and ensuring these have been made in accordance with the regulations
- challenging assumptions made by management in their significant accounting estimates in particular in relation to the legacy accrual
- audit testing claims for furlough income to ensure that there was entitlement to the income and that amounts were claimed in accordance with HMRC guidance; and
- performed audit procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals, whether there was evidence of bias in accounting estimates by management or the Board that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: **frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

HEATHER WHEELHOUSE
(SENIOR STATUTORY AUDITOR)

15th September 2021
For and on behalf of BDO LLP, statutory auditor, London, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

ABF THE SOLDIERS' CHARITY

Consolidated statement of financial activities (Incorporating the consolidated income and expenditure account) for the year to 31 March 2021

	NOTES	Unrestricted Funds (note 18) £	Designated Funds (note 19) £	Restricted Funds (note 20) £	**Total 2021** £	Total 2020 £
Income from:						
Donations and legacies						
The public						
Donations and Appeals Income		3,147,683	–	–	3,147,683	4,323,840
Legacies		4,175,464	–	–	4,175,464	3,685,661
		7,323,147	–	–	7,323,147	8,009,501
Army personnel						
From individuals in Army Units		106,769	–	–	106,769	102,311
Regimental and Corps Benevolent Funds		964,700	–	–	964,700	776,025
Army Dependants Trust		929,000	–	–	929,000	800,000
		2,000,469	–	–	2,000,469	1,678,336
Investments	3	1,026,036	176,300	182,586	1,384,922	2,129,207
Other trading activities						
Other donations and events		951,608	–	–	951,608	2,960,291
Government grants	4	187,818	–	–	187,818	–
Total Income		11,489,078	176,300	182,586	11,847,964	14,777,335
Expenditure on:						
Raising funds						
Fundraising trading	5	1,760,177	–	4	1,760,181	3,055,666
Other costs of raising funds	6	2,277,875	–	–	2,277,875	2,876,600
		4,038,052	–	4	4,038,056	5,932,266
Charitable activities						
Grants to Regiments and Corps for the benefit of individuals	7	2,524,184	2,665	105,166	2,632,015	3,924,697
Grants to other charities	8	1,672,184	1,575,973	295,360	3,543,517	5,863,227
		4,196,368	1,578,638	400,526	6,175,532	9,787,924
Grant making and other support costs	9	2,069,284	8,400	16,800	2,094,484	2,393,800
		6,265,652	1,587,038	417,326	8,270,016	12,181,724
Total expenditure		10,303,704	1,587,038	417,330	12,308,072	18,113,990
Net income/(expenditure) before net gains/ (losses) on investments		1,185,374	(1,410,738)	(234,744)	(460,108)	(3,336,655)
Net gains/(losses) on investments	13	15,487,472	–	976,924	16,464,396	(3,627,460)
Net income/(expenditure) for the year		16,672,846	(1,410,738)	742,180	16,004,288	(6,964,115)
Net interest in the results for the year in associates	14	(24,975)	–	–	(24,975)	10,996
Net movement in funds		16,647,871	(1,410,738)	742,180	15,979,313	(6,953,119)
Funds balances at 1 April		15,498,850	55,242,846	7,168,574	77,910,270	84,863,389
Funds balances at 31 March		32,146,721	53,832,108	7,910,754	93,889,583	77,910,270

ABF THE SOLDIERS' CHARITY

Charity statement of financial activities (incorporating the income and expenditure account) for the year to 31 March 2021

	NOTES	Unrestricted Funds (note 18) £	Designated Funds (note 19) £	Restricted Funds (note 20) £	**Total 2021** £	Total 2020 £
Income from:						
Donations and legacies						
The public						
Donations and Appeals Income		3,147,683	–	–	3,147,683	4,323,840
Legacies		4,175,464	–	–	4,175,464	3,685,661
		7,323,147	–	–	7,323,147	8,009,501
Army personnel						
From individuals in Army Units		106,769	–	–	106,769	102,311
Regimental and Corps Benevolent Funds		964,700	–	–	964,700	776,025
Army Dependants Trust		929,000	–	–	929,000	800,000
		2,000,469	–	–	2,000,469	1,678,336
Investments	3	1,026,036	176,300	182,586	1,384,922	2,129,207
Other trading activities						
Other donations and events		873,750	–	–	873,750	2,894,366
Government grants	4	187,818	–	–	187,818	–
Total Income		11,411,220	176,300	182,586	11,770,106	14,711,410
Expenditure on:						
Raising funds						
Fundraising trading	5	1,683,933	–	4	1,683,937	2,978,525
Other costs of raising funds	6	2,277,875	–	–	2,277,875	2,876,600
		3,961,808	–	4	3,961,812	5,855,125
Charitable activities						
Grants to Regiments and Corps for the benefit of individuals	7	2,524,184	2,665	105,166	2,632,015	3,924,697
Grants to other charities	8	1,672,184	1,575,973	295,360	3,543,517	5,863,227
		4,196,368	1,578,638	400,526	6,175,532	9,787,924
Grant making and other support costs	9	2,063,901	8,400	16,800	2,089,101	2,388,726
		6,260,269	1,587,038	417,326	8,264,633	12,176,650
Total expenditure		10,222,077	1,587,038	417,330	12,226,445	18,031,775
Net income/(expenditure) before net gains/ (losses) on investments		1,189,143	(1,410,738)	(234,744)	(456,339)	(3,320,365)
Net gains/(losses) on investments	13	15,487,472	–	976,924	16,464,396	(3,627,460)
Net income/(expenditure) for the year		16,676,615	(1,410,738)	742,180	16,008,057	(6,947,825)
Net interest in the results for the year in associates	14	(24,975)	–	–	(24,975)	10,996
Net movement in funds		16,651,640	(1,410,738)	742,180	15,983,082	(6,936,829)
Funds balances at 1 April		15,456,342	55,242,846	7,168,574	77,867,762	84,804,591
Funds balances at 31 March		31,107,982	53,832,108	7,910,754	93,850,844	77,867,762

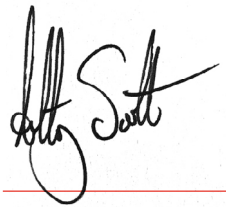
ABF THE SOLDIERS' CHARITY

Group and charity balance sheets as at 31 March 2021

		GROUP		CHARITY	
		2021	2020	**2021**	2020
	NOTES	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	12	111,061	144,796	111,061	144,796
Investments	13	82,765,693	70,583,273	82,765,694	70,583,274
Associate undertaking	14	12,537	37,513	12,537	37,513
		82,889,291	70,765,582	82,889,292	70,765,583
Current assets					
Stocks		50	213	–	–
Other debtors	15	4,178,693	5,088,060	4,173,217	5,085,393
Short term deposits		5,005,044	1,503,834	5,005,044	1,503,834
Cash at bank and in hand		5,103,729	1,601,063	5,060,714	1,552,835
		14,287,516	8,193,170	14,238,975	8,142,062
Creditors amounts falling due within one year	16	(3,287,224)	(1,048,482)	(3,277,423)	(1,039,883)
Net current assets		11,000,292	7,144,688	10,961,552	7,102,179
Net assets	17	93,889,583	77,910,270	93,850,844	77,867,762
Represented by					
Income funds					
Restricted funds	20	7,910,754	7,168,574	7,910,754	7,168,574
Designated funds	19	53,832,108	55,242,846	53,832,108	55,242,846
Unrestricted funds	18	32,146,721	15,498,850	32,107,982	15,456,342
Total Funds		93,889,583	77,910,270	93,850,844	77,867,762

Approved by the Board of Trustees and signed on their behalf

LIEUTENANT GENERAL (RET'D) PHILIP JONES CB CBE DL
CHAIRMAN



ANTHONY SCOTT CHARTERED FCSI
HONORARY TREASURER

10th September 2021
Registered in England and Wales, company number 07974609

ABF THE SOLDIERS' CHARITY

Consolidated statement of cash flows for the year to 31 March 2021

	2021	2020
	£	£
Cash flows from operating activities:		
Net cash (used in) operating activities	(655,721)	(8,244,967)
Cash flows from investing activities:		
Dividends, interest and rents from investments	1,384,922	2,129,207
Purchase of equipment	(7,301)	(30,760)
Proceeds from the sale of investments	51,975,070	12,208,407
Purchase of investments	(47,693,094)	(9,261,334)
Net cash provided by investing activities	5,659,597	5,045,520
Cash flows from financing activities:		
Cash inflows from new borrowing	2,000,000	–
Net cash provided by financing activities	2,000,000	–
Change in cash in the reporting period	7,003,876	(3,199,447)
Cash at the beginning of the reporting period	3,104,897	6,304,344
Cash at the end of the reporting period	10,108,773	3,104,897

Reconciliation of net income/ (expenditure) to net cash flow from operating activities

	2021	2020
	£	£
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	16,004,288	(6,964,115)
Adjustments for:		
Depreciation charges	41,037	40,084
(Gains)/losses on investments	(16,464,396)	3,627,460
Decrease in stocks	163	1,283
Decrease in debtors	909,367	81,874
Increase/(Decrease) in creditors	238,742	(2,902,346)
Dividends, interest and rents from investments	(1,384,922)	(2,129,207)
Net cash used in operating activities	(655,721)	(8,244,967)

Analysis of cash

	2021	2020
	£	£
Cash in hand	5,103,729	1,601,063
Notice deposits (less than 3 months)	5,005,044	1,503,834
Total cash	10,108,773	3,104,897

Analysis of changes in net debt

	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	£
Cash	1,601,063	3,502,666	5,103,729
Notice deposits (less than 3 months)	1,503,834	3,501,210	5,005,044
	3,104,897	7,003,876	10,108,773
Loan	–	(2,000,000)	(2,000,000)
	3,104,897	5,003,876	8,108,773

ABF THE SOLDIERS' CHARITY
Notes to the accounts
for the year ended 31 March 2021

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The Accounts have been prepared on a going concern basis under the historical cost convention, unless otherwise stated in the relevant accounting policy note, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)) including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

ABF The Soldiers' Charity ('the Charity') has taken advantage of the exemption to prepare a Statement of Cash Flows on the basis that it is a qualifying entity. The consolidated Statement of Cash Flows, within the financial statements, includes the Charity's cash flows.

The Charity constitutes a public benefit entity as defined by FRS 102.

CONSOLIDATION

The Accounts consolidate ABF The Soldiers' Charity and its trading subsidiary company, Soldiers' Trading Limited on a line by line basis.

INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and income from fundraising events are recorded in the Accounts when receivable. Income received from events is recognised in the period in which the event takes place. Income from legacies is taken into the Statement of Financial Activities when received or when receipt is probable, and the value can be measured with sufficient reliability. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. Investment income is recognised when received.

Grants are included as income when these are receivable.

COSTS OF RAISING FUNDS

Costs of raising funds comprise fundraising costs and the costs incurred in subsidiary trading company activities. Fundraising costs include advertising, producing publications, printing, and mailing fundraising material, associated staff costs and an appropriate allocation of support costs.

CHARITABLE EXPENDITURE

Grants payable in furtherance of the Charity's objects are recognised as expenditure in the year in which the grant is formally approved by the Charity and has been communicated to the recipient, except to the extent that it is subject to conditions that enable the Charity to revoke the award. Any refunds of grants are credited to the line in which they were originally allocated in the Accounts.

GRANT MAKING AND OTHER SUPPORT COSTS

Grant making costs are those costs incurred in support of the Charity's primary objective of paying grants to those in need. Other support to charities reflects the support given to other charities in terms of management and staff time; other associated infrastructure costs and in certain circumstances subsidies for accommodation costs for office space occupied at Mountbarrow House. Governance costs represent those costs associated with the governance arrangements of the Charity which relate to the general running of the Charity. Such costs include external audit fees, legal costs, related trustee costs and costs associated with compliance with statutory requirements.

INVESTMENTS IN ASSOCIATES

Investments in associates are measured in accordance with Section 14 of FRS 102 including Update Bulletin 1, 'Investments in Associates', using the equity model. As such, investments in associates are initially recognised at the transaction price and are subsequently adjusted to reflect the Charity's share of the surplus, other comprehensive income, and equity of the associate.

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. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. The investment portfolio does not acquire put options, derivatives, or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

ABF THE SOLDIERS' CHARITY
Notes to the accounts
for the year ended 31 March 2021

1. ACCOUNTING POLICIES (CONTINUED)

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Rental income is recognised in the period to which it relates.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing more than £1,000 are capitalised and included at cost, including any incidental expenses relating to the acquisition. Depreciation is provided for all tangible fixed assets so as to write off their cost in equal instalments over their expected useful lives as follows:

Computer equipment	3 years
Operating softwares	8 years
Office furniture and fittings	3-5 years
Leasehold improvements	Over the term of the lease

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

GOING CONCERN

The Trustees have assessed whether there are material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment in respect of a period of at least one year from the date of the approval of the Accounts.

The Trustees have considered the impact of COVID-19 and have considered the projections for income and expenditure as well as long-term cash flow, taking into account pressures on fundraising income. These continue to be regularly monitored by the Trustees and senior management team. The Charity holds significant reserves and has liquid assets in the form of investments that are readily available to convert into cash.

The Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees believe that, whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Charity's ability to continue as a going concern. The Charity therefore continues to adopt the going concern basis in preparing its Accounts.

LOANS TO BENEFICIARIES

Loans to beneficiaries are concessionary loans provided for the benefit of the Charity's beneficiaries. Such loans are initially recognised and measured at the amount paid, with the carrying amount adjusted at each Balance Sheet date to reflect repayments and any accrued interest, less any impairment.

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.

CASH AT BANK AND IN HAND

Cash at bank and 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.

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 a transfer of funds to a third party and the amount due to settle the obligation can be measured reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

OPERATING LEASES

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the period of the lease.

PENSION COSTS

Eligible employees are automatically enrolled into a Group Personal Pension scheme which is operated on a contributory basis. The assets of the Group Personal Pension Scheme are held separately from those of the Charity and contributions payable by the Charity are charged in the Statement of Financial Activities in the year in which they are payable.

FOREIGN CURRENCY

Transactions denominated in foreign currencies are recorded at the exchange rates ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are converted to Sterling at the rates of exchange ruling at the balance sheet date. The Accounts of overseas operations are translated to Sterling at the approximate rates of exchange ruling at the balance sheet date. All differences are recorded in the Statement of Financial Activities.

ABF THE SOLDIERS' CHARITY
Notes to the accounts
for the year ended 31 March 2021

1. ACCOUNTING POLICIES (CONTINUED)

VOLUNTEERS

The Charity benefits greatly from the involvement and enthusiastic support of its volunteers. These include our President, Trustees, and regional fundraising groups. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not included in the Accounts.

ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the Trustees are required to make estimates and judgements. The matters considered below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cash flows.

A) COST ALLOCATION

Support costs not attributable to a single charitable activity are allocated or apportioned on a basis consistent with identified cost drivers for that cost category. Cost drivers utilised include head count, staff time allocation, and effort and judgement is exercised in applying cost drivers to cost categories.

B) LEGACY INCOME ACCRUAL

Legacy income is recognised in accordance with the income recognition policy. In calculating the level of legacy accrual, management is required to exercise estimation and judgement, particularly in determining the amount and probability of receipt.

GOVERNMENT GRANTS

The Charity joined the flexible furlough scheme from December 2020 in line with business needs to manage the impact of the lockdown on our fundraising activities. Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as a compensation for expenses already incurred and is recognised in income in the period in which it becomes receivable and the related expenses are incurred.

In September 2020, the Charity also took out a £2m Coronavirus Business Interruption Loan, repayable over a six-year period. The loan interest in the first year is paid as a Business Interruption payment (grant) by the government.

2. SUBSIDIARY COMPANY'S RESULTS

SOLDIERS' TRADING LIMITED

Included in Donations and appeals income in Income is general purpose trading income arising in Soldiers' Trading Limited. The results were as follows:

	2021	2020
	£	**£**
Turnover	120,366	124,723
Cost of Sales	(66,325)	(68,899)
Gross Profit	54,041	55,824
Administrative expenses	(15,302)	(13,316)
Profit on ordinary activities	38,739	42,508
Tax on profit	–	–
Profit after tax and for the financial year	38,739	42,508
Opening retained earnings	42,508	58,798
Payment to parent charity under Gift Aid	(42,508)	(58,798)
Closing retained earnings	38,739	42,508

ABF THE SOLDIERS' CHARITY
Notes to the accounts
for the year ended 31 March 2021

3. INVESTMENT INCOME – GROUP AND CHARITY

	Unrestricted Funds	Designated Funds	Restricted Funds	**Total 2021**	Total 2020
	£	£	£	£	£
Dividends and Distributions	681,343	153,824	182,586	1,017,753	1,571,557
Bank interest	44,184	22,476	–	66,660	65,998
	725,527	176,300	182,586	1,084,413	1,637,555
Rental Income	300,509	–	–	300,509	491,652
Total	1,026,036	176,300	182,586	1,384,922	2,129,207

Rental income arises from the sub-letting of office space in Mountbarrow House to a number of other Service charities. The significant reduction largely relates to the almost complete withdrawal of the Officers Association from the building.

4. GOVERNMENT GRANTS – GROUP AND CHARITY

	2021	2020
	£	£
Government furlough scheme	162,498	–
Government Business Interruption payment on CBILS	25,320	–
Total	187,818	–

Government grants were unrestricted in the current year.

5. FUNDRAISING TRADING

	GROUP		CHARITY	
	2021	2020	**2021**	2020
	£	£	£	£
Fundraising trading costs	678,718	1,845,973	602,474	1,768,823
Central and administrative costs	718,288	794,398	718,288	794,398
Regional office costs	363,175	415,295	363,175	415,295
Total	1,760,181	3,055,666	1,683,937	2,978,516

ABF THE SOLDIERS' CHARITY
Notes to the accounts
for the year ended 31 March 2021

6. OTHER COSTS OF RAISING FUNDS - GROUP AND CHARITY

	2021	2020
	£	£
Other Costs of raising funds	954,370	1,226,604
Advertisements and promotion	424,240	630,443
Central and administrative costs	233,444	258,179
Regional office costs	665,821	761,374
Total	2,277,875	2,876,600

7. GRANTS FOR THE BENEFIT OF INDIVIDUALS

All grants made for the benefit of soldiers, former soldiers and their families are paid through their parent regimental or corps associations. The total value of these grants made during the year was £2,632,015 (2020: £3,924,697).

8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS

The Charity, on behalf of the partnership of Army charitable funds, makes grants to national charities and occasionally other organisations which support soldiers, former soldiers, and their immediate families.

By the nature of Service charities and other charities supporting serving and former soldiers, many of The Soldiers' Charity's Trustees and senior management work closely with, or serve as Trustees for, some of the charities listed below that receive grants from us. Where this applies, the trustee or member of the management team will not take part in the grant-making decision process.

The total values of the grants made during the year for the Group and Charity were:

	2021	2020
	£	£
GRANTS FROM UNRESTRICTED FUNDS:		
ELDERLY		
Age In Spain	20,000	25,000
Broughton House	80,000	96,000
Care for Veterans (Queen Alexandra Hospital Home)	60,000	69,322
Erskine Hospital	150,000	150,000
Royal Commonwealth Ex-Services League	204,000	200,000
Royal Hospital Chelsea	40,000	40,000
Royal Star & Garter Home	50,000	102,000
	604,000	682,322

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8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

	2021	2020
	£	£
GRANTS FROM UNRESTRICTED FUNDS (CONTINUED):		
EMPLOYMENT AND TRAINING		
Finchale Training College	–	30,000
Forces in the Community	–	10,000
Groundwork MSSTT	–	20,000
Highground	6,000	5,000
Prisoners Education Trust	–	20,124
Recruit for Spouses	–	5,000
Regular Forces Employment Association (RFEA)	67,000	338,146
Resume Foundation	15,000	–
Services Sound and Vision Corporation (Academy)	–	40,000
The Officers' Association	–	(25,000)
The Poppy Factory	20,000	30,000
Walking with the Wounded	5,000	–
X-Forces	20,000	48,000
	133,000	521,270
FAMILY		
Army Families Federation	30,000	32,077
Army Welfare Service - Welfare Minibuses	–	188
Army Widows' Association	11,000	32,000
Cobseo, The Confederation of Service Charities	25,000	25,000
Home-Start Hampshire	–	13,654
Home-Start Kennet	–	20,000
Home-Start Medway	–	30,640
Hong Kong LEP Trust	8,000	9,000
Lord Kitchener Memorial Holiday Centre	–	10,000
NSPCC	–	20,000
QEHB - Fisher House	–	10,000
Rainbow Trust Children's Charity	–	15,000
Royal Caledonian Educational Trust	20,000	34,200
Reading Force	10,000	–
Ruskin Mill Land Trust	–	17,356
Scotty's Little Soldiers	–	5,000
SSAFA Central Office	70,000	299,892
SSAFA CMS Costs	83,134	1,941
The Ripple Pond	–	10,000
University of Winchester (Service Children project)	–	9,400
Veterans Scotland	15,000	–
	272,134	595,348

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8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

	2021	2020
	£	£
GRANTS FROM UNRESTRICTED FUNDS (CONTINUED):		
HOUSING		
Alabaré Christian Care & Support	20,000	10,000
Amicus Trust	–	20,000
Armed Forces & Veterans Launchpad	23,550	25,000
Bournemouth War Memorial Homes	–	15,000
Changing Lives	20,000	20,000
Lord Leycester	–	35,000
Queen Victoria Seamen's Rest	–	15,000
RBLI	226,000	150,000
Scottish Veterans Residences	–	15,000
Stoll	25,000	40,000
	314,550	345,000
WELLBEING		
BASIC	–	10,000
Brighterway Charity	–	10,000
Bristol Drugs Project	–	15,000
CAIS – Change Step	–	45,000
Combat Stress	126,000	120,000
Company of Makers	–	7,576
Deafblind UK	5,000	10,000
Defence Medical Rehabilitation Centre Benevolent Fund	–	35,000
Defence Medical Welfare Service	45,000	40,000
Dundee Therapy Garden	–	15,000
Fares 4 Free	5,000	5,000
Glen Art/Bravehound	–	11,152
Help 4 Homeless Veterans	–	15,000
Home Farm Trust	15,000	36,563
Improving Lives Plymouth	–	15,000
Lothian Veterans Centre	–	10,000
Military Wives Choirs Foundation	–	5,000
Music in Hospitals	–	10,000
Mutual Support	–	10,000
Nottingham Forest Community Trust	–	6,100
Phyllis Tuckwell Hospice	5,000	5,000
Poppy Scotland	30,000	25,000
Sharks Community Trust	–	20,000
Spinal Injuries Association	30,000	25,000
St Margaret's Somerset Hospice	–	5,000
Stand Easy	–	2,650
Step Together	–	20,000
Taxi Charity for Military Veterans	10,000	12,000

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for the year ended 31 March 2021

8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

	2021	2020
	£	£
GRANTS FROM UNRESTRICTED FUNDS (CONTINUED):		
WELLBEING: (CONTINUED)		
The Bridge for Heroes	–	10,000
The League of Remembrance	–	2,275
The Matthew Project	10,000	8,848
The Not Forgotten Association	30,000	35,000
The Warrior Programme	–	40,000
Thistle Health and Wellbeing	2,500	10,000
Together Co	–	10,000
Turn to Starboard	–	20,000
University Hospitals Birmingham (Fisher House)	5,000	-
Veterans Outreach Support	–	20,000
Veterans Scotland	–	15,000
Victory Services Club	–	40,000
Vine Drop-In Centre	–	5,000
Waterloo Uncovered	–	10,000
We Are With You (formerly Addaction)	30,000	30,000
	348,500	802,164
Total Grants from Unrestricted Funds	1.672,184	2,946,104
GRANTS FROM DESIGNATED FUNDS:		
EMPLOYMENT EDUCATION AND TRAINING		
Highground	4,000	5,000
Regular Forces Employment Association (RFEA)	100,000	60,000
Services Sound and Vision Corporation	–	10,000
(Academy)	10,000	55,000
The Poppy Factory	5,000	–
Walking With The Wounded	8,000	–
X-Forces	127,000	130,000
FAMILY		
Army Families Federation	10,000	10,000
Army Widows' Association	10,000	–
DIO – LIBOR Supporting Army Families	491,000	1,631,072
National Gulf Veterans & Families Association	5,000	6,000
Royal Caledonian Educational Trust	9,247	–
Scotty's Little Soldiers	–	5,000
SSAFA Central Office	140,000	50,000
The Ripple Pond	–	10,000
	665,247	1,712,072

ABF THE SOLDIERS' CHARITY
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8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

	2021	2020
	£	£
GRANTS FROM DESIGNATED FUNDS (CONTINUED):		
HOUSING		
Armed Forces & Veterans Launchpad	–	7,489
RBLI	50,000	100,000
Stoll	5,000	10,000
	55,000	117,489
WELLBEING		
"Not Forgotten" Association	–	20,000
CAIS – Change Step	–	5,000
Combat Stress	100,000	100,000
Defence Medical Welfare Service (including LIBOR)	593,726	473,462
Fares 4 Free	5,000	5,000
PoppyScotland	20,000	20,000
Spinal Injuries Association	–	5,000
The Matthew Project	5,000	15,000
University Hospitals Birmingham (Fisher House)	5,000	–
The Warrior Programme	–	10,000
Victory Services Club	–	35,000
	728,726	688,462
Total Grants from Designated Funds	1,575,973	2,648,023
GRANTS FROM RESTRICTED FUNDS:		
EMPLOYMENT EDUCATION AND TRAINING		
Finchale	–	20,000
Highground	–	10,000
On Course Foundation	–	7,100
Regular Forces Employment Association (RFEA)	100,000	–
The Poppy Factory	30,000	15,000
Walking With The Wounded	5,000	–
X-Forces	8,360	–
	143,360	52,100
FAMILY		
Army Widows' Association	4,000	–
National Gulf Veterans and Families Association	25,000	32,000
South Atlantic medal Association 1982	–	5,000
SSAFA Central Office	20,000	50,000
	49,000	87,000

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8. GRANTS TO CHARITIES AND OTHER ORGANISATIONS (CONTINUED)

	2021	2020
	£	£
GRANTS FROM RESTRICTED FUNDS (CONTINUED):		
WELLBEING		
"Not Forgotten" Association	–	10,000
Combat Stress	24,000	30,000
Defence Medical Welfare Service	20,000	15,000
Falklands Veterans Association	10,000	15,000
Fares 4 Free	5,000	5,000
PoppyScotland	15,000	20,000
The Matthew Project	–	15,000
Thistle Health & Wellbeing	5,000	5,000
	79,000	115,000
HOUSING		
Armed Forces & Veterans Launchpad	–	5,000
RBLI	24,000	–
Stoll	–	10,000
	24,000	15,000
Total Grants from Restricted Funds	295,360	269,100
Grants from Unrestricted Funds	1,672,184	2,946,104
Grants from Designated Funds	1,575,973	2,648,023
Grants from Restricted Funds	295,360	269,100
	3,543,517	5,863,227

9. GRANT MAKING AND OTHER SUPPORT COSTS

	GROUP		CHARITY	
	2021	2020	2021	2020
	£	£	£	£
Central and administrative costs	1,002,027	1,127,209	1,002,027	1,127,209
Auditors: Audit fees	36,732	31,715	31,349	26,641
Trustee expenses	1,754	2,090	1,754	2,090
Regional Office costs	181,588	207,647	181,588	207,647
Advertisement and promotion	228,437	339,469	228,437	339,469
Support costs	570,228	607,740	570,228	607,740
Other costs	73,718	77,930	73,718	77,930
Total	2,094,484	2,393,800	2,089,101	2,388,726

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10. STAFF COSTS – GROUP AND CHARITY

	2021	2020
	£	£
TOTAL STAFF COSTS COMPRISED:		
Wages and salaries	3,314,106	3,413,989
Social security costs	311,410	330,895
Pensions contributions	165,075	166,215
	3,790,591	3,911,099

The Charity employed an average staff of 85 (11 part-time) (2020: 89 including 12 part-time) of whom 44 (2020: 50) are employed at the Charity's head office. A small number of these individuals are on short-term contracts to cover vacant posts and also from time to time we engage a limited number of contract and agency staff. There is £13,581 included in salaries and wages related to redundancies or settlements. (2020: £10,800).

The number of employees whose employee benefits exceeded £60,000 was;

	2021 No.	2020 No.
£60,001 – £70,000	1	–
£70,001 – £80,000	1	1
£80,001 – £90,000	3	3
£90,001 – £100,000	1	1
£140,001 – £150,000	1	1

An increasing number of our employees who have previously served in the Army have become unable to participate in the Charity's pension scheme due to current HMRC Lifetime Allowance restrictions. Noting that this constitutes a significant reduction in their overall employee benefits, the Charity may elect to make a compensating taxable payment, in lieu of their eligibility to an employer contribution, which is therefore included in the above figures. Pension contributions of £20,949 (2020: £24,619) were made on behalf of eligible higher paid employees.

The key management personnel for the charity comprise the Trustees and the executive board (senior management board). The Trustees received no remuneration or benefits-in-kind during the year (2020: £nil). They were reimbursed expenses during the year as stated in note 11.

The total remuneration including employer's pension contributions and employer's National Insurance contributions paid to the executive board amounted to £725,998 (2020: £758,659).

ABF THE SOLDIERS' CHARITY
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11. RELATED PARTY TRANSACTIONS

No Trustees have been remunerated for their role as a trustee. Five Trustees were reimbursed £1,754 for travel expenses which had been directly incurred during the year under review (2020: £2,090 to four Trustees).

During the year ending 31 March 2021, the charity charged its subsidiary £5,000 for management fees relating to Soldiers' Trading Limited's activities (2020: £5,000). Soldiers' Trading Limited donated £42,508 to ABF The Soldiers' Charity from its profits (2020: £58,798). At 31 March 2021, there was a balance of £5,868 (2020: 13,550) owed to ABF The Soldiers' Charity by Soldiers' Trading Limited.

12. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Leasehold Improvements		Office furniture, fittings & equipment		Total	
	2021	2020	**2021**	2020	**2021**	Total 2020
	£	**£**	**£**	**£**	**£**	**£**
Cost:						
At 1 April	134,371	106,680	289,720	316,298	424,091	422,978
Additions during the year	–	27,691	7,301	3,069	7,301	30,760
Disposals during the year	–	–	–	(29,647)	–	(29,647)
At 31 March	134,371	134,371	297,021	289,720	431,392	424,091
Depreciation:						
At 1 April	35,258	11,912	244,036	256,946	279,294	268,858
Charge for the year	26,874	23,346	14,163	16,737	41,037	40,083
Disposals for the year	–	–	–	(29,647)	–	(29,647)
At 31 March	62,132	35,258	258,199	244,036	320,331	279,294
Net book value at 31 March	72,239	99,113	38,822	45,684	111,061	144,796

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13. INVESTMENTS – GROUP AND CHARITY

	Unrestricted Funds	Designated Funds	Restricted Funds	**Total**
	£	**£**	**£**	**£**
Market value 1 April 2020	66,100,079	–	4,483,194	70,583,273
Purchase of investments	47,693,094	–	–	47,693,094
Sale of investments	(51,629,020)	–	(346,050)	(51,975,070)
Net gains on investments	15,487,472	–	976,924	16,464,396
Market value 31 March 2021	**77,651,625**	**–**	**5,114,068**	**82,765,693**
Cost				
At 31 March 2021	63,384,412	–	2,268,863	65,653,275
At 31 March 2020	61,188,713	–	2,418,863	63,607,576

All of the investments listed above are held by the Charity, including 100% of the issued share capital of Soldiers' Trading Limited. Both the cost and valuation of this shareholding is £1.

The investment portfolio comprises the following at market value:

	Unrestricted Funds	Designated Funds	Restricted Funds	**Total**
	£	**£**	**£**	**£**
BLACKROCK - ARMED FORCES CHARITIES GROWTH AND INCOME FUND				
Income units	–	–	5,114,068	5,114,068
Accumulation units	42,363,257	–	–	42,363,257
CCLA – COIF				
Accumulation units	35,288,368	–	–	35,288,368
Market value 31 March 2021	77,651,625	–	5,114,068	82,765,693

14. ASSOCIATES

The Soldiers' Fund (TSF) was incorporated as a tax-exempt charity in the United States in 2012, its primary purpose being to raise funds for British Army personnel, past and present, and their families in times of need. As ABF The Soldiers' Charity can appoint three of the eleven directors of TSF, it is treated as an associate undertaking for the purposes of the consolidated accounts. The Charity's share of TSF's deficit as at 31st March 2021 was £24,975 (2020: surplus, £10,996). The Charity's share of TSF's net assets was £12,537 (2020: £37,513).

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15. OTHER DEBTORS AND PREPAYMENTS

	GROUP		CHARITY	
	2021	2020	**2021**	2020
	£	**£**	**£**	**£**
Prepayments and accrued income	4,120,929	4,999,200	4,109,585	4,995,193
Other debtors	57,764	88,860	57,764	76,650
Due from subsidiary	–	–	5,868	13,550
Total	4,178,693	5,088,060	4,173,217	5,085,393

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2021	2020	**2021**	2020
	£	**£**	**£**	**£**
Deferred income				
At 1 April	696,179	3,606,836	696,179	3,606,836
Arising during the year	1,361,145	1,589,390	1,361,145	1,589,390
Released during the year	(1,197,955)	(4,500,047)	(1,197,955)	(4,500,047)
At 31 March	859,369	696,179	859,369	696,179
Trade creditors	133,264	143,586	131,153	141,045
Accrued expenses	268,269	191,224	254,713	171,616
Other creditors	26,322	17,493	32,188	31,043
Coronavirus Business Interruption Loan Scheme (CBILS)	2,000,000	–	2,000,000	–
Total	3,287,224	1,048,482	3,277,423	1,039,883

The Charity took out a £2m Coronavirus Business Interruption Loan in September 2020 over a six-year period. The loan interest in the first year is paid as a Business Interruption payment by the government. Although £1,766,667 is due after one year, it is the intention of the Trustees to repay the £2m Coronavirus Business Interruption loan in full within the next twelve months.

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17. RESERVES POLICY AND ANALYSIS OF NET ASSETS BETWEEN FUNDS

RESERVES POLICY

Our reserves policy is set to ensure that our work is protected from the risk of disruption at short notice due to a lack of funds, or indeed sudden operational pressures on the Army and its people in this very uncertain world. At the same time, we need to ensure that we do not hold income or capital for longer than required – but equally balance that against the strategic requirement to act as the Army's benevolence reserve, the fundamental purpose for which we were established. The current exceptional circumstances, and future substantial turbulence for the Army and its people as they adjust to the recently announced Integrated Review of Security, Defence, Development and Foreign Policy (The Integrated Review), further reinforce that fundamental purpose of the Charity.

Trustees review the level of reserves in both individual funds, as well as in total, and are very aware of their responsibility to 'smooth' the provision of support – setting aside significant reserves in the good times, but equally being prepared to run substantial deficits whenever circumstances demand.

In considering the current level of reserves, the Trustees are aware that the fundraising environment is increasingly more challenging, and against a backdrop of very considerable future pressures on statutory public service welfare provision, which will lead to increased demands for The Soldiers' Charity's assistance – even if this year demand has been suppressed. Meanwhile, the British Army grapples with The Integrated Review which, whilst it provides opportunities, also poses significant challenges and risks which historically can tend to adversely impact on its people - with potential knock on for our work. Finally, whilst we are currently in a robust position, many of the charities we fund are less so.

Our reserves are held as Unrestricted, Designated and Restricted Funds (with further details at Notes 18 to 20). Much of the latter two categories are monies, such as the Falklands Fund, which we have the privilege to administer. These will be disbursed over many years until the last eligible soldier or their immediate families are no longer alive. In each case we absorb much of the efforts of managing these substantial funds in the interest of efficiency, partnership and collaboration – ensuring that the optimal financial support is available and delivered to those in need.

Within Designated Funds are also:

- The Strategic Reserve. Its current £32.2m is determined by a number of interrelated factors:

  Given the evident potential for future global instability, and our particular role in direct support of the Army, which will often bear the brunt of deployments, it is considered prudent for The Soldiers' Charity to hold in reserve an amount equivalent to approximately two years' expenditure on benevolence grants for individuals and to other charities, in order to guarantee our grant-making activities irrespective of any other pressures we may have at the time. This equates to reserves holdings in the region of £14 million – on the assumption that current reduced levels of charitable expenditure are atypical due to COVID-19.

  - In parallel, The Soldiers' Charity was also set up to act as a strategic reserve for other Army charitable funds, including those of Regiments and Corps, which currently make benevolence grants of around £5 million a year – indeed this was the rationale for our establishment in 1944 following the failures of the Regimental system to cope in 1919. Whilst currently prolonged conflict with above-average numbers of casualties may appear a remote possibility, in such circumstances we could also be called upon to support the Army Dependants' Trust (ADT), which provides immediate support to the next of kin of the deceased. It is considered that The Soldiers' Charity should therefore hold in reserve an amount equivalent to approximately two years' Regimental and Corps benevolence grants, and combined with the obligation to the ADT, this requires a reserve holding of £14 million.

  - In addition, The Soldiers' Charity needs to ensure it can maintain the appropriate infrastructure to make the above associated benevolence payments for a period of up to two years. The reserves required to satisfy this obligation are around £4.2 million.

- The Current Operations Fund (See Note 19).

- The LIBOR Fund (See Note 19).

- The Relocation Fund. This was established to provide for the anticipated relocation of The Soldiers' Charity's head office when the current building leases expire – currently 2025. The need for this contingency is further emphasised by the high importance placed by Trustees on the needs of those Service charities co-located with us, noting that most of their work directly relates to the needs of Army personnel. Co-location, joint working and sharing overheads are important drivers for us as the Army's national charity. Indeed, we believe it may be prudent to plan the capacity for more, given the desirability of other charities folding into us in future years and we will keep our plans under very careful review – taking into account of course any fundamental changes to office working.

The balance of the Unrestricted Fund is, in effect, the Soldiers' Charity's contingency reserve. We aim to hold free reserves (defined as unrestricted general funds) representing twelve months of budgeted core expenditure for the next financial year (equivalent to £13.2m in unrestricted reserves) to reflect our commitments to grants delivery, our staff and other stakeholders should our annual income not meet our expectations. The Trustees believe that in the current very uncertain climate this level of contingency reserve remains prudent and appropriate.

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17. RESERVES POLICY AND ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

	Tangible Fixed Assets 2021	Investments and Associates 2021	Net Current Assets 2021	Group Total
	£	£	£	£
GROUP:				
Unrestricted Funds	111,061	77,664,161	(45,628,501)	32,146,721
Designated Funds				
Afghanistan Fund	–	–	6,790,622	6,790,622
Current Operations Fund	–	–	2,389,088	2,389,088
LIBOR Fund	–	–	452,398	452,398
Relocation Fund	–	–	12,000,000	12,000,000
Strategic Fund	–	–	32,200,000	32,200,000
			53,832,108	53,832,108
Restricted Funds				
Commandos Benevolent	–	–	253,852	253,852
DEFLOG VQ Trust	–	–	1,647,122	1,647,122
Falklands Fund	–	3,423,663	176,799	3,600,462
George Purse Trust Fund	–	1,690,406	396,403	2,086,809
Gulf Fund	–	–	322,509	322,509
	–	5,114,069	2,796,685	7,910,754
	111,061	82,778,230	11,000,292	93,889,583

	Tangible Fixed Assets 2020	Investments and Associates 2020	Net Current Assets 2020	Group Total
	£	£	£	£
GROUP:				
Unrestricted Funds	144,796	66,137,591	(50,783,537)	15,498,850
Designated Funds				
Afghanistan Fund	–	–	7,036,634	7,036,634
Current Operations Fund	–	–	2,604,088	2,604,088
LIBOR Fund	–	–	1,402,124	1,402,124
Relocation Fund	–	–	12,000,000	12,000,000
Strategic Fund	–	–	32,200,000	32,200,000
	–	–	55,242,846	55,242,846
Restricted Funds				
Commandos Benevolent	–	–	260,395	260,395
DEFLOG VQ Trust	–	–	1,862,891	1,862,891
Falklands Fund	–	2,812,028	174,040	2,986,068
George Purse Trust Fund	–	1,388,417	345,280	1,733,697
Gulf Fund	–	282,750	42,773	325,523
	–	4,483,195	2,685,379	7,168,574
	144,796	70,620,786	7,144,688	77,910,270

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17. RESERVES POLICY AND ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

	Tangible Fixed Assets 2021	Investments and Associates 2021	Net Current Assets 2021	Group Total
	£	£	£	£
CHARITY:				
Unrestricted Funds	111,061	77,664,162	(45,667,241)	32,107,982
Designated Funds				
Afghanistan Fund	–	–	6,790,622	6,790,622
Current Operations Fund	–	–	2,389,088	2,389,088
LIBOR Fund	–	–	452,398	452,398
Relocation Fund	–	–	12,000,000	12,000,000
Strategic Fund	–	–	32,200,000	32,200,000
	–	–	53,832,108	53,832,108
Restricted Funds				
Commandos Benevolent	–	–	253,852	253,852
DEFLOG VQ Trust	–	–	1,647,122	1,647,122
Falklands Fund	–	3,423,663	176,799	3,600,462
George Purse Trust Fund	–	1,690,406	396,403	2,086,809
Gulf Fund	–	–	322,509	322,509
	–	5,114,069	2,796,685	7,910,754
	111,061	82,778,231	10,961,552	93,850,844

	Tangible Fixed Assets 2020	Investments and Associates 2020	Net Current Assets 2020	Group Total
	£	£	£	£
CHARITY:				
Unrestricted Funds	144,796	66,137,592	(50,826,046)	15,456,342
Designated Funds				
Afghanistan Fund	–	–	7,036,634	7,036,634
Current Operations Fund	–	–	2,604,088	2,604,088
LIBOR Fund	–	–	1,402,124	1,402,124
Relocation Fund	–	–	12,000,000	12,000,000
Strategic Fund	–	–	32,200,000	32,200,000
	–	–	55,242,846	55,242,846
Restricted Funds				
Commandos Benevolent	–	–	260,395	260,395
DEFLOG VQ Trust	–	–	1,862,891	1,862,891
Falklands Fund	–	2,812,028	174,040	2,986,068
George Purse Trust Fund	–	1,388,417	345,280	1,733,697
Gulf Fund	–	282,750	42,773	325,523
	–	4,483,195	2,685,379	7,168,574
	144,796	70,620,787	7,102,179	77,867,762

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18. UNRESTRICTED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY

UNRESTRICTED FUND	GROUP		CHARITY	
	2021	2020	**2021**	2020
	£	**£**	**£**	**£**
At 1 April	15,498,850	19,514,586	15,456,342	19,455,788
Income	11,489,078	14,275,178	11,411,220	14,209,253
Expenditure	(10,303,704)	(15,090,662)	(10,222,077)	(15,008,447)
Gains/(losses)	15,462,497	(3,200,252)	15,462,497	(3,200,252)
Transfers	–	–	–	–
At 31 March	32,146,721	15,498,850	32,107,982	15,456,342

19. DESIGNATED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY

	Afghanistan Fund **2021**	Current Operations Fund **2021**	LIBOR Fund **2021**	Strategic Fund **2021**	Relocation Fund **2021**	**Total 2021**
	£	**£**	**£**	**£**	**£**	**£**
Income						
Income from charitable activities	–	–	–	–	–	–
Income from investments	176,300	–	–	–	–	176,300
Total income	176,300	–	–	–	–	176,300
Expenditure						
Direct charitable expenditure	(8,400)	–	–	–	–	(8,400)
Grants to other charities	(411,247)	(215,000)	(949,726)	–	–	(1,575,973)
Grants for the benefit of individuals	(2,665)	–	–	–	–	(2,665)
Total expenditure	(422,312)	(215,000)	(949,726)	–	–	(1,587,038)
Net income/ (expenditure) before net gains/ (losses) on investments	(246,012)	(215,000)	(949,726)	–	–	(1,410,738)
Net gains/(losses) on investments	–	–	–	–	–	–
Net income/(expenditure) for the year	(246,012)	(215,000)	(949,726)	–	–	(1,410,738)
Net movement in funds	(246,012)	(215,000)	(949,726)	–	–	(1,410,738)
Fund balances at 1 April	7,036,634	2,604,088	1,402,124	32,200,000	12,000,000	55,242,846
Fund balances at 31 March	6,790,622	2,389,088	452,398	32,200,000	12,000,000	53,832,108

ABF THE SOLDIERS' CHARITY
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19. DESIGNATED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY (CONTINUED)

	Northern Ireland Special Relief Fund 2020	Afghanistan Fund 2020	Current Operations Fund 2020	LIBOR Fund 2020	Strategic Fund 2020	Relocation Fund 2020	Total 2020
	£	£	£	£	£	£	£
Income							
Income from charitable activities	–	–	–	–	–	–	–
Income from investments	–	316,842	–	–	–	–	316,842
Total income	–	316,842	–	–	–	–	316,842
Expenditure							
Direct charitable expenditure	(4,202)	(8,400)	–	–	–	–	(12,602)
Grants to other charities	(20,000)	(548,489)	–	(2,079,534)	–	–	(2,648,023)
Grants for the benefit of individuals	(8,068)	(8,890)	–	–	–	–	(16,958)
Total expenditure	(32,270)	(565,779)	–	(2,079,534)	–	–	(2,677,583)
Net income/ (expenditure) before net gains/ (losses) on investments	(32,270)	(248,937)	–	(2,079,534)	–	–	(2,360,741)
Net gains/(losses) on investments	–	–	–	–	–	–	–
Net income/(expenditure) for the year	(32,270)	(248,937)	–	(2,079,534)	–	–	(2,360,741)
Net movement in funds	(32,270)	(248,937)	–	(2,079,534)	–	–	(2,360,741)
Fund balances at 1 April	32,270	7,285,571	2,604,088	3,481,658	32,200,000	12,000,000	57,603,587
Fund balances at 31 March	–	7,036,634	2,604,088	1,402,124	32,200,000	12,000,000	55,242,846

Designated Funds, within Unrestricted Funds, are set aside at the discretion of the Trustees for specific purposes and time. The Designated Funds now consist of the Current Operations Fund (COF), the Afghanistan Fund, the Relocation Fund (RF), the LIBOR Fund and the Strategic Reserve.

- The Current Operations Fund was established in 2007 to provide a continuing fund for soldiers, former soldiers, and their dependants in times of need who are suffering distress as a result of military operations being undertaken at that time and all subsequent military operations. It will continue in place until such time as all eligible beneficiaries no longer survive.
- The Afghanistan Fund was set up to support Army families affected by the Afghanistan campaign. Similarly, this will be time limited.
- The LIBOR funding of £3m was set up to deliver the better provision of childcare/community facilities for those serving Army families who face particular disadvantage. This project will be completed in 2022.
- The Strategic Reserve of £32.2 million – see Note 17, for comprehensive information about what this entails.
- The Relocation Fund of £12 million, to provide for the anticipated relocation of the Charity's head office when the building lease expires – currently 2025, although these plans are under constant review.

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Notes to the accounts

for the year ended 31 March 2021

20. RESTRICTED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY

	Commandos Benevolent Fund **2021**	DEFLOG VQ Fund **2021**	Falklands Fund **2021**	George Purse Fund **2021**	Gulf Fund **2021**	**Total 2021**
	£	**£**	**£**	**£**	**£**	**£**
Income						
Income from charitable activities	–	–	–	–	–	–
Income from investments	–	–	116,360	57,451	8,775	182,586
Total income	–	–	116,360	57,451	8,775	182,586
Expenditure						
Direct charitable expenditure	–	–	(12,600)	–	(4,204)	(16,804)
Grants to other charities	–	(133,360)	(100,000)	–	(62,000)	(295,360)
Grants for the benefit of individuals	(6,543)	(82,409)	(1,000)	(6,329)	(8,885)	(105,166)
Total expenditure	(6,543)	(215,769)	(113,600)	(6,329)	(75,089)	(417,330)
Net income/ (expenditure) before net gains/ (losses) on investments	(6,543)	(215,769)	2,760	51,122	(66,314)	(234,744)
Net gains/(losses) on investments	–	–	611,634	301,990	63,300	976,924
Net income/(expenditure) for the year	(6,543)	(215,769)	614,394	353,112	(3,014)	742,180
Net movement in funds	(6,543)	(215,769)	614,394	353,112	(3,014)	742,180
Fund balances at 1 April	260,395	1,862,891	2,986,068	1,733,697	325,523	7,168,574
Fund balances at 31 March	253,852	1,647,122	3,600,462	2,086,809	322,509	7,910,754

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20. RESTRICTED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY (CONTINUED)

	Commandos Benevolent Fund 2020	DEFLOG VQ Fund 2020	Falklands Fund 2020	George Purse Fund 2020	Gulf Fund 2020	Total 2020
	£	£	£	£	£	£
Income						
Income from charitable activities	–	–	–	–	–	–
Income from investments	560	2,811	114,122	56,347	11,475	185,315
Total income	560	2,811	114,122	56,347	11,475	185,315
Expenditure						
Direct charitable expenditure	–	–	(12,603)	(3)	(4,203)	(16,809)
Grants to other charities	–	(32,100)	(135,000)	–	(102,000)	(269,100)
Grants for the benefit of individuals	–	(39,270)	(1,063)	(16,825)	(2,678)	(59,836)
Total expenditure	–	(71,370)	(148,666)	(16,828)	(108,881)	(345,745)
Net income/ (expenditure) before net gains/ (losses) on investments	560	(68,559)	(34,544)	39,519	(97,406)	(160,430)
Net gains/(losses) on investments	–	–	(261,064)	(128,898)	(26,250)	(416,212)
Net income/(expenditure) for the year	560	(68,559)	(295,608)	(89,379)	(123,656)	(576,642)
Net movement in funds	560	(68,559)	(295,608)	(89,379)	(123,656)	(576,642)
Fund balances at 1 April	259,835	1,931,450	3,281,676	1,823,076	449,179	7,745,216
Fund balances at 31 March	260,395	1,862,891	2,986,068	1,733,697	325,523	7,168,574

20. RESTRICTED FUNDS FINANCIAL ACTIVITY – GROUP AND CHARITY (CONTINUED)

The Restricted Funds consist of:

- The Army Commandos' Benevolent Fund gave the bulk of its winding up funds as a grant to The Soldiers' Charity for the assistance of any such persons who have served in the Commandos and in making grants to charitable organisations which directly or indirectly benefits the persons or dependents of persons who have served in the Commandos.
- The DEFLOG VQ Trust was set up from the funds received from The DEFLOG VQ Trust, which folded into The Soldiers' Charity two years ago. The funds are restricted to advance education and training and to relieve unemployment; and relieve the needs of people who are at risk of becoming socially excluded, through the promotion of social inclusion. We might assume that there will be greater call for these funds as the true economic impact of COVID-19 becomes more apparent.
- The Falklands Fund, which exists to meet the needs of soldiers, former soldiers and their dependants who have suffered distress as a result of the Falklands conflict.
- The George Purse Trust Fund which exists to make grants that would not otherwise be provided out of Charity Unrestricted funds to support the welfare needs of ex-Army personnel, dependants and carers residing in the former boundaries of the counties of Glamorgan and Monmouthshire.
- The Gulf Trust (Army and Civilian) Fund, which exists to meet the needs of soldiers, civilian personnel attached to or accompanying the Armed Forces and their dependants who have suffered distress as a result of the Gulf conflict and any continuing operations.

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21. PENSION COSTS

Employer contributions to the auto enrolment scheme during the year to 31 March 2021 amounted to £165,075 (2020: £166,215).

There was an outstanding pension contribution of £28,541 as at 31 March 2021 (2020: £28,620).

22. OPERATING LEASE COMMITMENTS

At 31 March 2021 the Charity had future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Land and buildings **2021**	Office machinery **2021**	Vehicles **2021**	Total **2021**
	£	**£**	**£**	**£**
Not later than one year	689,356	11,919	47,566	748,841
Later than one year and not later than five years	2,322,284	38,869	27,156	2,388,309
Later than five years	–	–	–	–
	3,011,640	50,788	74,722	3,137,150

	Land and buildings 2020	Office machinery 2020	Vehicles 2020	Total 2020
	£	**£**	**£**	**£**
Not later than one year	677,673	11,919	21,373	710,965
Later than one year and not later than five years	2,845,879	47,842	21,548	2,915,269
Later than five years	165,824	2,980	–	168,804
	3,689,376	62,741	42,921	3,795,038

The lease between The Soldiers' Charity and Grosvenor Estate Belgravia covers the first, second and third floors at Mountbarrow House.

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23. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY

	NOTES	Total 2021 £	Unrestricted Funds (note 18) £	Unrestricted Funds (note 19) £	Unrestricted Funds (note 20) £	Total 2020 £
Income from:						
Donations and legacies						
The public						
Donations and Appeals Income		3,147,683	4,323,840	–	–	4,323,840
Legacies		4,175,464	3,685,661	–	–	3,685,661
		7,323,147	8,009,501	–	–	8,009,501
Army personnel						
From individuals in Army Units		106,769	102,311	–	–	102,311
Regimental and Corps Benevolent Funds		964,700	776,025	–	–	776,025
Army Dependants Trust		929,000	800,000	–	–	800,000
		2,000,469	1,678,336	–	–	1,678,336
Investments	3	1,384,922	1,627,050	316,842	185,315	2,129,207
Other trading activities						
Other donations and events		951,608	2,960,291	–	–	2,960,291
Government grants	4	187,818	–	–	–	–
Total Income		11,847,964	14,275,178	316,842	185,315	14,777,335
Expenditure on:						
Raising funds						
Fundraising trading	5	1,760,181	3,055,657	–	9	3,055,666
Other costs of raising funds	6	2,277,875	2,876,596	4	–	2,876,600
		4,038,056	5,932,253	4	9	5,932,266
Charitable activities						
Grants to Regiments and Corps for the benefit of individuals	7	2,632,015	3,847,903	16,958	59,836	3,924,697
Grants to other charities	8	3,543,517	2,946,104	2,648,023	269,100	5,863,227
		6,175,532	6,794,007	2,664,981	328,936	9,787,924
Grant making and other support costs	9	2,094,484	2,364,402	12,598	16,800	2,393,800
		8,270,016	9,158,409	2,677,579	345,736	12,181,724
Total expenditure		12,308,072	15,090,662	2,677,583	345,745	18,113,990
Net (expenditure) before net gains/(losses) on investments		(460,108)	(815,484)	(2,360,741)	(160,430)	(3,336,655)
Net gains/(losses) on investments	13	16,464,396	(3,211,248)	–	(416,212)	(3,627,460)
Net income/(expenditure) for the year		16,004,288	(4,026,732)	(2,360,741)	(576,642)	(6,964,115)
Net interest in the results for the year in associates	14	(24,975)	10,996	–	–	10,996
Net movement in funds		15,979,313	(4,015,736)	(2,360,741)	(576,642)	(6,953,119)
Funds balances at 1 April		77,910,270	19,514,586	57,603,587	7,745,216	84,863,389
Funds balances at 31 March		93,889,583	15,498,850	55,242,846	7,168,574	77,910,270

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ABF
THE SOLDIERS'
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