

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

England & Wales · Charity number 1153681

Details

Status Registered

Legal form Trust

Company number [02538134](#)

Registered 2013-09-05

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

Contact

Address Salvation Army International
Headquarters
101 Queen Victoria Street
London
EC4V 4EH

Phone 02073328116

Email IHQ-HeadofFinance@salvationarmy.org

Website www.salvationarmy.org

Activities

Objects: THE OBJECTS OF THE CHARITY ARE: (I) TO RELIEVE THE POVERTY OF RETIRED OFFICERS OF THE SALVATION ARMY ANYWHERE IN THE WORLD; AND (II) TO RELIEVE FINANCIAL HARDSHIP AMONGST ELDERLY RETIRED OFFICERS OF THE SALVATION ARMY ANYWHERE IN THE WORLD IN EACH CASE BY FUNDING THE PROVISION OF RETIREMENT ALLOWANCES.

Activities: THE MAIN ACTIVITIES OF THE CHARITY ARE: TO RELIEVE THE POVERTY OF RETIRED OFFICERS OF THE SALVATION ARMY ANYWHERE IN THE WORLD BY FUNDING PROVISION OF RETIREMENT ALLOWANCES AND TO RELIEVE FINANCIAL HARDSHIP AMONGST ELDERLY RETIRED OFFICERS OF THE SALVATION ARMY ANYWHERE IN THE WORLD BY FUNDING PROVISION OF RETIREMENT ALLOWANCES.

Classification

- **How:** Provides Other Finance, Other Charitable Activities
- **What:** The Prevention Or Relief Of Poverty, Other Charitable Purposes
- **Who:** Elderly/old People, Other Defined Groups

Geography

- Angola
- Antigua And Barbuda
- Argentina
- Australia
- Austria
- Bangladesh
- Barbados
- Belgium
- Belize
- Bermuda
- Bolivia
- Botswana
- Brazil
- Burma
- Burundi
- Cambodia
- Canada
- Chile
- China
- Colombia
- Congo
- Congo (Democratic Republic)
- Costa Rica
- Cuba
- Czech Republic
- Denmark
- Dominican Republic
- Ecuador
- El Salvador
- Estonia
- Eswatini
- Faroe Islands
- Fiji
- Finland

- France
- French Guiana
- Georgia
- Germany
- Ghana
- Greece
- Greenland
- Grenada
- Guam
- Guatemala
- Guernsey
- Guyana
- Haiti
- Honduras
- Hong Kong
- Hungary
- Iceland
- India
- Indonesia
- Ireland
- Isle Of Man
- Italy
- Jamaica
- Japan
- Jersey
- Kenya
- Kuwait
- Latvia
- Lesotho
- Liberia
- Lithuania
- Macau
- Madagascar
- Malawi
- Malaysia

- Mali
- Marshall Islands
- Mexico
- Micronesia
- Moldova
- Mongolia
- Mozambique
- Namibia
- Nepal
- Netherlands
- New Zealand
- Nicaragua
- Nigeria
- Northern Ireland
- Norway
- Pakistan
- Panama
- Papua New Guinea
- Paraguay
- Peru
- Philippines
- Poland
- Portugal
- Puerto Rico
- Romania
- Russia
- Rwanda
- Saint Helena
- Saint Vincent
- Scotland
- Sierra Leone
- Singapore
- Sint Maarten
- Slovakia
- Solomon Islands

- South Africa
- South Korea
- Spain
- Sri Lanka
- St Kitts And Nevis
- St Lucia
- Suriname
- Sweden
- Switzerland
- Taiwan
- Tanzania
- The Bahamas
- Togo
- Tonga
- Trinidad And Tobago
- Turks And Caicos Islands
- Uganda
- Ukraine
- United Arab Emirates
- United States
- United States Virgin Islands
- Uruguay
- Venezuela
- Zambia
- Zimbabwe

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,422,232	£5,635,867	£122,966,123	0
2024-03-31	£3,653,650	£5,156,358	£126,561,012	0
2023-03-31	£3,216,358	£5,183,819	£122,861,449	0
2022-03-31	£2,637,581	£4,461,887	£132,849,280	0
2021-03-31	£2,388,826	£4,313,054	£129,587,697	0

Trustees

Name	Role	Appointed
THE SALVATION ARMY INTERNATIONAL TRUSTEE COMPANY		2013-07-09

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

England & Wales - Charity number 1153681

Accounts

The Salvation Army Retired Officers Allowance Scheme



**12th Report and Accounts for
the year ended 31 March 2025**

THE SALVATION ARMY
International Headquarters
101 Queen Victoria Street
London EC4V 4EH

MISSION STATEMENT

International Headquarters exists to support the General as he/she leads The Salvation Army to accomplish its God-given worldwide mission to preach the gospel of Jesus Christ and meet human needs in his name without discrimination.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

TRUSTEE'S REPORT

The Trustee is pleased to present the annual report for The Salvation Army Retired Officers Allowance Scheme for the year ended 31 March 2025.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The General, acting under powers contained in The Salvation Army Act 1980, established The Salvation Army International Trust ('SAIT') to further the worldwide work of The Salvation Army. The Salvation Army International Trustee Company ('SAITCo'), a company limited by guarantee, was formed and appointed as the ordinary Trustee of the International Trust. The Salvation Army Retired Officers Allowance Scheme (referred to as 'the Scheme' or 'ROAS') is a separately registered charity that is administered by SAITCo as the trustee. The directors of SAITCo are thus effectively the trustees of both SAIT and the Scheme.

The Salvation Army International Trustee Company – Ordinary Trustee

Company Registration No 2538134

The Salvation Army International Trust

Registered Charity No 1000566

Trust Settlement Deed dated 21 September 1990

The Salvation Army Retired Officers Allowance Scheme

Registered Charity 1153681

Declaration of Trust dated 13 December 2012

The General of The Salvation Army, as founder of SAIT and the Scheme, specifies the qualifying offices and the experts for SAITCo. Qualifying offices are such offices of The Salvation Army as the General may from time to time specify by notice to SAITCo and experts are persons who satisfy such conditions and/or who have such qualifications or expertise as the General may from time to time specify by notice to SAITCo. Both the qualifying offices' holders and the experts make application for membership of SAITCo with consent to become Directors and are accepted by the Board of Directors of SAITCo. All new directors follow teaching modules prepared specifically for The Salvation Army on its constitution, operational scope and the duties and responsibilities of directors. In addition, individual directors follow external courses.

Directors

Commissioner Keith Conrad from 1 August 2019

Commissioner Edward Hill *MDiv, MACE* from 1 May 2021

Commissioner Lyn Hills from 2 July 2024

Commissioner Debbie Horwood from 1 July 2021

Commissioner Eva Kleman from 1 November 2020 to 30 June 2024

Commissioner John Kumar Dasari from 2 April 2024

Commissioner Robyn Maxwell from 1 November 2020 to 31 May 2025

Commissioner Kenneth Maynor from 2 September 2023

Commissioner Susan McMillan *BCom, MBA, FCPA, FCGA* from 17 July 2023 to 28 February 2025

Commissioner Garth Niemand *MBA, BTh* from 3 September 2023

Commissioner Suresh Pawar from 12 November 2020 to 1 April 2024

Commissioner Kelvin Pethybridge *ThA, BA, MA* from 1 September 2025

Commissioner Widiawati Tampai, *BTh* from 1 June 2025

Lieut-Colonel Judith Hilditch, *BSc, MSc* from 1 March 2025

Ms Rosie Bichard *GCB.D, CFA* from 1 January 2025

Mr Robin Foale from 1 May 2019

Mr James Gardner *MA* from 1 May 2022

Mr Mark Goodale *BA, FIA* from 1 May 2019

Mr Robert Lister from 1 January 2016 to 31 December 2024

Mr Tim Sketchley *BA, MA (Cantab), FRICS* from 1 May 2022

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Audit Committee Members

Ms Rosie Bichard *GCB.D, CFA* (Chair)
Mr Mark Goodale *BA, FIA*
Mr Tim Sketchley *BA, MA (Cantab), FRICS*
Mr Andrew Stickland *BA(Hons), FCA*

Principal Officers

Commissioner Garth Niemand *MBA, BTh*
Dr Matthew Carpenter *BA, MBA, DBA, MCMI*
Commissioner Susan McMillan *BCom, MBA, FCPA, FCGA*
Lieut-Colonel Judith Hilditch

Managing Director
Company Secretary
Head of Finance to 28 February 2025
Head of Finance from 1 March 2025

Bankers

HSBC Bank plc
60 Queen Victoria Street
London EC4N 4TR

Reliance Bank Limited
Faith House, 23-24 Lovat Lane
London EC3R 8EB

National Westminster Bank
38 Strand
London WC2H 5JB

Solicitors

Slaughter and May
1 Bunhill Row
London EC1Y 8YY

Auditors

Knox Cropper LLP
65 Leadenhall Street
London EC3A 2AD

Investment Manager

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

The Salvation Army is, for administrative purposes, divided into autonomous territories (generally by region or country). Each territory is governed, through local registration(s), in accordance with the applicable local laws and the Scheme works with and through these separate legal entities. However, The Salvation Army remains under the oversight, direction and control of the General of The Salvation Army, as set out in greater detail in The Salvation Army Act 1980.

Connected Entities

The Salvation Army International Trust ('SAIT')

Registered Charity No 1000566
Trust Settlement Deed dated 21 September 1990

SAIT is a separately registered charity that is administered by SAITCo as the trustee. The banking company, Reliance Bank Limited, is a wholly owned subsidiary of SAIT.

SAIT exists to further the work of The Salvation Army, which is to advance the Christian religion and meet human need as and where it occurs throughout the world, and support the work of International Headquarters ('IHQ'). IHQ is responsible for coordinating the international work and overseeing strategy.

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The Salvation Army in the United Kingdom and the Republic of Ireland

The work of The Salvation Army in the United Kingdom and the Republic of Ireland is directed by the United Kingdom and Ireland Territory, with resources provided through trusts administered by The Salvation Army Trustee Company. The two principal trusts of this territory are The Salvation Army Trust and The Salvation Army Social Work Trust.

Governance

SAITCo utilises a committee structure to supervise operations of the Scheme. This includes operation of a ROAS Investment Committee (exclusively focused on the Scheme portfolio), Audit Committee and Risk Management Committee with significant involvement from the five Independent Non-Executive Directors of SAITCo. The ROAS Investment Committee is chaired by an Independent Non-Executive Director of SAITCo and considers overall strategy for the Scheme on an ongoing basis recognising a range of available actions including adjusting grants, seeking further donations from territories or external donors and adjusting the mandate of the investment manager. The terms of reference for all subsidiary committees and minutes of all meetings of these committees are reviewed by SAITCo Directors on a regular basis with the latest review of terms of reference undertaken in May 2025.

SAITCo has a Serious Incident Reporting Policy and Procedure in place, last reviewed in August 2025, outlining the process to be followed to decide if an incident relating to the Scheme would be appropriate to be reported to the Charity Commission as a serious incident in accordance with the latest regulatory guidance.

A well-established Internal Audit Department also carries out a cycle of reviews of the systems in operation within IHQ and in all countries where The Salvation Army is working and a framework of internal controls and local financial management systems are in place, supported by a manual of International Financial and Accounting Standards ('IFAS') for The Salvation Army issued from IHQ. Salvation Army territories also share findings of locally instructed external audits of territorial operations with IHQ for review and consideration within the internal audit process. The IFAS manual was reviewed and updated during 2022/23, following a comprehensive committee-led drafting process including formal review of consultation materials with 50 Salvation Army territories, with a revised 2023 edition of IFAS issued from IHQ in February 2023 and effective January 2024. A project is also well advanced to roll out cloud-based accounting software to all financially supported territories by 2025/26, enabling more regular and more detailed reporting both within territories and from territories to IHQ, with more than 25 financially supported territories using the software as at November 2025. A new reporting mechanism from all territories to IHQ commenced in 2020/21 and was further developed in 2022/23, based upon the suite of 16 Key Financial Indicators ('KFIs') defined within the IFAS manual, allowing IHQ to be better informed of the financial position in territories as a significant enhancement to internal controls. These structures and initiatives enable ongoing assessment and review of the local use of grants allocated from the Scheme within recipient countries.

An Audit Committee also meets on a quarterly basis and comprises four members, including three Independent Non- Executive Directors of SAITCo, with none of the members holding executive responsibility for management of the Scheme. The Committee holds delegated responsibility on behalf of SAITCo for continual review of the financial management and internal controls of the Scheme and holds a direct line of communication to the external auditor.

SAITCo has undertaken a wide ranging and significant governance review in recent years assisted by external consultants and involving a review of SAITCo membership, structure, interrelationships with other IHQ bodies, performance and effectiveness as well as benchmarking to good governance practice as outlined within the Charity Governance Code.

A Board Charter for SAITCo was developed during 2019/20 as an early action within the governance review process and remains in place. The Charter defines the roles, responsibilities and authorities of SAITCo in the

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effective and efficient functioning of SAIT and the Scheme and considers mission objectives, board roles, board procedures, board composition, board committees, board induction and ongoing training, conflicts of interest and board evaluation.

During 2020/21, the Articles of Association of SAITCo were revised and the SAITCo Board Charter further reviewed and updated to embed reforms prompted by the governance review. An operational review of IHQ was then undertaken with a number of enhancements implemented in 2021/22 and 2022/23 including changes to the operation of subsidiary committees, update of expenditure authority thresholds for financial decision-making and internal staffing reorganisations.

During 2023/24, an external consultant was engaged by SAITCo to benchmark IHQ practice to the Charity Governance Code and explore opportunities for further development. An action plan was developed to further align SAITCo practice to the Code and was approved by SAITCo for implementation from May 2024 with progress to the action plan reviewed by SAITCo in July 2025. SAITCo already embraces many governance activities outlined within the Code such as conducting board induction and training, board performance monitoring, managing potential or actual conflicts of interest and regularly reviewing terms of reference for subsidiary committees with development work ongoing in areas such as board consultation with beneficiaries and board review of longer-term financial strategy.

Additional work was also undertaken during 2024/25 to apply updated risk management protocols following approval of a revised and refreshed SAITCo Risk Register by SAITCo for implementation from January 2024. Work also commenced during 2024/25 on a further review of the SAITCo Articles of Association and SAITCo Board Charter with revised documents to be finalised during 2025/26. Further anticipated activities in 2025/26 include a wide-ranging review of SAITCo board performance, led by an external consultant and featuring benchmarking to the new 2025 edition of the Charity Governance Code, and enhancements to board strategic planning processes with commencement of a new strategic planning exercise for IHQ and the Scheme to take effect from 2026/27.

Remuneration

The Directors of SAITCo comprise senior Salvation Army officers and Independent Non-Executive Directors with specialist expertise. Taxable allowances and benefits as well as Directors expenses are met from SAIT and are not charged to the Scheme.

Modern Slavery Act

The Salvation Army is very active in bringing practical assistance to those whose lives have been affected by the evil of modern slavery and as such is sensitive to the danger of inadvertently finding itself falling short of its own beliefs and standards in this regard as well as the standards set out in the UK Government's Modern Slavery Act 2015. The Modern Slavery Act 2015 compliance statement for SAITCo, reviewed and updated in December 2024, can be accessed at <http://www.salvationarmy.org/ihq/modernslaveryact2015> and provides details of the variety of measures undertaken by SAITCo to avoid and reduce the risk of inadvertently supporting modern slavery in any way.

Fundraising

Section 162a of the Charities Act 2011, as amended by the Charities Act 2022, requires charities to make a statement regarding fundraising activities. Although the Scheme does not actively undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts receivable are presented in the Accounts as "Other Donations".

In relation to the above, SAITCo confirms that no fundraising activity has been taken by the Scheme, or by anyone acting on its behalf, that no fundraising standards or scheme for fundraising regulation has been subscribed to by the Scheme, or by anyone acting on its behalf, that no complaints in relation to fundraising activities have been received and that any solicitations are managed internally, without involvement of commercial participators or professional

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fund-raisers.

OBJECTIVES AND ACTIVITIES

Public Benefit

In setting and reviewing the Scheme's aims and objectives and planning future activities, SAITCo pays due regard to the guidance issued by the Charity Commission on public benefit. The main activities of the charity are:

- To relieve the poverty of retired officers of The Salvation Army anywhere in the world by funding provision of retirement allowances.
- To relieve financial hardship amongst elderly retired officers of The Salvation Army anywhere in the world by funding provision of retirement allowances.

The charitable objects are achieved by issuing grants to Salvation Army territories and regions around the world to fund the provision of retirement allowances to officers of The Salvation Army.

During the reporting period, the Scheme was able to cover 100% of the cost of the basic retirement allowances of Salvation Army officers in territories, regions and commands requiring this financial support.

ACHIEVEMENTS AND PERFORMANCE

The Scheme distributed grants to 37 overseas territories during the year with allocated grants totalling £5,168,088 (2024: £4,716,148) providing funding towards the retirement allowances of 3,582 officers of The Salvation Army (2024: 3,406). The following illustrative testimonials have been provided by recipient territories:

Kenya East Territory

"The territory has around 100 retired officers, some are recently retired while others have reached an advanced age.

ROAS grants help the officers receive food and clothing and cater for the maintenance of their dwelling places. They also help to fund medical payments as some of the retired officers live with different ailments which always require medication. With regular income from ROAS grants, they can get their medication at the required times.

ROAS makes a great difference to our retired officers, many of which do not have other sources of income and helps them live a dignified life."

Indonesia Territory

"Retired officers in Indonesia Territory do not have a government pension and deeply appreciate the support provided by ROAS that enables them to receive a monthly retirement allowance.

Retired officers live simply but retain a strong focus on helping and encouraging others. The ROAS grant allows them to make purchases for their personal needs such as buying groceries or snacks to share with elderly friends or family and congregation members who come to visit. The allowance can also be used to buy medicines that are not covered by government healthcare.

The grant from the ROAS scheme is not taken for granted but is deeply appreciated and provides vital support."

Eastern Europe Territory

"The retired officers of the Eastern Europe Territory express gratitude and appreciation for the support provided by ROAS.

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The financial assistance allows officers to pay items such as rent, utilities and/or other housing costs, which have increased significantly in recent years since commencement of the Russia/Ukraine crisis.

Once again, thank you for all the help and support offered by ROAS”.

Mexico Territory

“The support offered by ROAS allows retired officers in the territory to have a better quality of life.

ROAS grants are used by retired officers in Mexico Territory for essential support and often cover basic needs such as food and medicine and sometimes housing costs and repairs. The assistance provided is all the more welcome due to the levels of inflation in goods and services experienced in recent years.

Our retired officers appreciate the vital and positive difference made by ROAS grants”.

Sri Lanka Territory

“ROAS grants have directly benefited and supported the quality of life of our retired officers during a period of continued economic challenges in the country.

The grants have provided substantial benefits for recipients including coverage of essential living expenses, assisting in timely medical interventions, providing emergency financial assistance and funding necessary repairs and accessibility modifications to homes.

The scheme's effectiveness has been particularly evident among our most vulnerable retired officers - those without family support or with limited personal savings. For these individuals, ROAS funding has been extremely beneficial, providing financial stability and enabling enhanced dignity and independence with continuation of reasonable living arrangements.

The support offered by ROAS grants is a visible sign that the ministry and service of retired officers continues to be valued and recognised”.

Key Statistics

- The Scheme distributed grants to 37 overseas territories during 2024/25 totalling £5.17 million.
- Grants have significantly increased from £1.13 million (2016) to £5.17 million (2025).
- 3,582 retired officers of The Salvation Army benefitted from the grants distributed during 2024/25.

Future Plans

The longstanding aim of the Scheme has been to build an investment portfolio sufficient to cover up to 100% of the cost of the basic retirement allowances of Salvation Army officers in territories requiring this financial support.

This significant milestone was realised with commencement of grants to cover 100% of the cost of the basic retirement allowances effective from 2016/17, with grants subsequently maintained at this level including for the year under review. Achievement of this keynote objective was only possible due to the strong financial position of the Scheme (see Financial Review below) with the operational impact upon beneficiaries to be continually monitored and assessed in future years.

Going forward, the Scheme will focus upon maintaining total grant funding at a level sufficient to cover 100% of

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the cost of the basic retirement allowances of Salvation Army officers in territories requiring this financial support, within a sustainable funding model.

The Trustee continues to monitor developments closely in relation to the Russia/Ukraine crisis and other external events and remains confident that the level of reserves held is adequate in the changing economic climate and does not impact adversely on the Scheme's going concern status. The Trustee considers there are no material uncertainties about the charity's ability to continue as a going concern.

The Scheme is well placed to meet external events and achieve its focused grant-making objectives due to its strong financial position, investment strategy and reserves policy (see Financial Review below) all underpinned by the governance structures of SAITCo.

FINANCIAL REVIEW

Total income of £3,422,232 (2024: £3,653,650) was received during 2024/25 including contributions from Salvation Army territories totaling £271,136 (2024: £292,847).

The total investment income of £3,150,876 (2024: £3,360,742) received during 2024/25 comprised interest receivable of £304,919 (2024: £324,820), dividends receivable of £1,326,198 (2024: £1,516,813) and income from gilts and bonds of £1,519,759 (2024: £1,519,109). Total expenditure showed an increase from £5,156,358 (2024) to £5,635,867 (2025) including distributions to recipient territories of £5,168,088 (2024: £4,716,148), cost of raising funds of £460,571 (2024: £433,351) and other costs of £7,208 (2024: £6,859).

Movement in listed investments recorded a net loss of £1,381,254 following a net gain of £5,202,271 (2024), reflecting market conditions and representing both the realised and unrealised gains/losses arising on sales and the market value of investments held at year end.

A transfer of £2,200,000 (2024: £1,500,000) was made from expendable endowment funds to unrestricted funds upon instruction from the ROAS Investment Committee in accordance with the Reserves Policy (see below).

The net movement in funds for the year shows a decrease in expendable endowment funds of £3,581,254 and a decrease in unrestricted funds of £13,635. Total funds of £122,966,123 were held at year end comprising £121,033,463 in expendable endowment funds and £1,932,660 in unrestricted funds.

Investments

Investments are managed under the terms of an investment management agreement with Sarasin & Partners LLP. The investment manager is required to make investments on behalf of the Scheme in line with benchmarks that have been set and against which performance is measured.

The ROAS Investment Committee which sits to review investment performance receives periodic reports on matters pertinent to its investment policy and this facilitates discussion which, in turn, enhances the committee's understanding of the relationship between its Christian conviction and ethos and investment return; and even more importantly, the positive effect that its policy can have on companies which themselves may (or may not) be seeking to improve conditions in many parts of the world. The reports are also occasionally tabled at meetings of SAITCo so that those directors who do not sit on the Investment Committee have an opportunity to add to the debate and have greater understanding of the issues that the Scheme can tackle through its investment policy.

SAITCo has established an ethical investment policy to reflect The Salvation Army's ethical and moral stance which is required to be followed by the appointed investment manager. This policy excludes investment in companies which derive more than 10% of their revenues in aggregate from any of the following categories:

- a. the production and/or sale of alcohol
- b. the production and/or sale of tobacco

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- c. the manufacture and/or sale of whole weapons, weapon platforms and weapon systems
- d. the manufacture and/or sale of strategic parts for weapon systems
- e. the promotion or operation of gambling enterprises
- f. the provision of adult entertainment services
- g. the publication and/or sale of pornographic media
- h. the extraction of thermal coal or the production of oil from tar sands

For the avoidance of doubt in relation to sub-paragraphs (c) and (d) above, 'weapons' refers to both nuclear and conventional weapons. In addition, investment is excluded in companies with disregard for human rights and/or the pollution of the environment.

Beyond the ethical statement, the investment manager is directed to consider The Salvation Army Act 1980 and to monitor the portfolio to ensure companies held within it adhere to best practice in corporate governance, employment conditions, social responsibility and environmental sustainability. Currencies other than those of OECD countries should be limited to a maximum of 30% of the total portfolio.

The following table gives the long-term ranges and current weightings expressed in percentages of the Scheme investment funds:

Asset Type at 31/03/25	Long-term Range	Year End Position Weightings
Fixed Income	15 - 35%	25.3%
Equities	55 - 75%	63.5%
Alternative Investments	0 - 10%	2.3%
Liquid Assets	0 - 10%	8.9%
TOTAL		100.0%

For the year ended 31 March 2025, the portfolio total return amounted to 1.2% with the impact of the ethical exclusions on equities detrimental by -0.15% over the period.

Equity market returns were dominated during 2024 by the large US technology stocks with significant fluctuation and uncertainty in the first quarter of 2025 affecting the year end result. Equity markets have started to price in policy shifts, including deregulation, trade tensions, and a renewed focus on traditional energy, triggering a rotation away from the larger technology companies into value-oriented sectors such as industrials, energy, and financials. The start of 2025 was also marked by rising uncertainty around the Federal Reserve's interest rate path, with the impact of higher tariffs and sticky inflation suggesting rates would be higher for longer, dampening bond market optimism and weighing on rate-sensitive sectors.

Investment strategy going forward will continue to be closely monitored by the ROAS Investment Committee in consideration of external events and emergent market conditions.

Reserves

The capital funds of the Scheme are held as expendable endowment funds in accordance with the wishes of the donors. The purpose is to invest these funds to generate a sufficient return to fund the grants to overseas territories covering up to 100% of the cost of the basic retirement allowances for retired officers in accordance with long standing objectives.

During 2018/19, the ROAS Investment Committee concluded a consultation with prior donors to the Scheme which secured their support for use of investment gains as well as investment income to fund the expenditure of ROAS with this enacted via a year end procedure agreed by the Committee with the external auditors and in effect for the year under review. Under this procedure the ROAS Investment Committee assess the forecast year end position, reviews the projected overall surplus/deficit for the current year and the balances carried forward on unrestricted funds and expendable endowment funds, and decides if a transfer from expendable endowment funds to unrestricted funds (use of investment return to fund annual expenditure) is necessary.

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Following deliberations, the Committee instructed a transfer of £2,200,000 from expendable endowment funds to unrestricted funds for 2024/25 with a final balance, following processing of the transfer, of £121,033,463 in expendable endowment funds and £1,932,660 in unrestricted funds.

Principal Risks and Uncertainties

SAITCo acknowledges its responsibilities relating to the management of risk. A formal risk management programme continues to operate allowing risks to be identified, classified and prioritised in terms of potential occurrence and impact. The Board of Directors of SAITCo has appointed a Risk Management Committee consisting of ten members, including an Independent Non-Executive Director of SAITCo.

A Risk Register is maintained and kept under regular review by the Risk Management Committee. The Risk Management Committee works with the Risk Owner of each major risk to ensure acceptable action is taken to manage the risk and to establish suitable systems to reduce the likelihood of harmful outcomes occurring and the impact on the organisation should they arise.

In addition to the above framework, a range of additional protocols are in place allowing SAITCo to actively monitor the impact of the Russia/Ukraine crisis and other external events upon the operations of the Scheme as well as those of SAIT and Salvation Army territories with working parties appointed by SAITCo as needed to undertake tasks in specific areas and provide regular updates to the board considering the impact of any material external crises upon global Salvation Army operations, the financial position of the Scheme, the investment portfolio of the Scheme and associated logistical matters.

A significant work project was progressed by the Risk Management Committee during 2023/24, supported by an external consultant engaged by SAITCo, to review existing risk management protocols and the formatting of the risk register against latest Charity Commission guidance and sectoral best practice. A revised and refreshed risk register format was finalised by the Committee and approved by SAITCo for implementation from January 2024, with considerable work undertaken during 2024/25 to present ROAS risks in the new format which places additional emphasis upon scoring of inherent and residual risks and analysis of cyber, data protection and environmental risks among other changes.

The main risks and uncertainties faced by the Scheme, as detailed in the SAITCo Risk Register at the end of the financial year under review, are outlined below in top-down priority order together with a summary of the mitigating strategies being pursued to manage these risks:

Key Risk	Mitigating Strategy
Unexpected demands for ROAS distributions.	Regular submission of budgets and retired officer allowance scales from territories for approval at IHQ Boards. Ongoing review of ROAS distribution levels by ROAS Investment Committee and SAITCo.
Investment risk for ROAS portfolio including but not limited to inflation risk, shortfall risk, country risk, currency risk, interest rate risk, volatility risk, liquidity risk, manager risk and market risk.	Perpetual review of investment performance and development of risk mitigating strategies by ROAS Investment Committee which includes external experts and is chaired by an Independent Non-Executive Director of SAITCo.

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Deficient financial administration of ROAS grants in territories.	Continuous IHQ monitoring of global operations on a territory-by-territory basis. A suite of policies and procedures in place to manage operational risks. Annual external audits of territories with internal audits also undertaken periodically depending on the extent of perceived risk.
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Statement of Trustee's Responsibilities

SAITCo is required to prepare an annual report and financial statements in order to discharge its duty of public accountability and stewardship. This report must give a true and fair view of the Scheme's affairs and its incoming resources and resources expended. In so doing SAITCo is required to account for all money and other assets which have been entrusted to the Scheme for whatever purpose. It is the responsibility of SAITCo to safeguard the assets of the Scheme and take all reasonable steps to prevent fraud and other irregularities.

SAITCo is responsible for ensuring that the assets of the Scheme are employed solely in furthering the objects as set out in the Declaration of Trust.

SAITCo is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Scheme. Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). In preparing the financial statements, SAITCo is required to:

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

For and on behalf of the Directors of The Salvation Army International Trustee Company.



Commissioner Garth Niemand *MBA BTh*
Managing Director

14 November 2025

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEE
OF THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME**

Opinion

We have audited the financial statements of The Salvation Army Retired Officers Allowance Scheme (the 'charity') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows 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 charity's affairs as at 31 March 2025 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis of opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEE OF THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the Trustee's Responsibilities Statement set out on page 10, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEE
OF THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

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:

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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

Use of the audit report

This report is made solely to the charity's trustee in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the charity's trustee those matters we are required to state to the trustee in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustee for our audit work, for this report or for the opinions we have formed.

Knox Cropper LLP

Knox Cropper LLP
Statutory Auditor
65 Leadenhall Street
London EC3A 2AD

14 November 2025

Knox Cropper LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 MARCH 2025

		----- 2025 -----			----- 2024 -----		
	Notes	Unrestricted Funds £	Expendable Endowment Funds £	Total £	Unrestricted Funds £	Expendable Endowment Funds £	Total £
INCOME AND ENDOWMENTS FROM							
Voluntary Income	2						
Received from Salvation Army Territories		271,136	-	271,136	292,847	-	292,847
Other Donations		220	-	220	61	-	61
		271,356	-	271,356	292,908	-	292,908
Investments	3	3,150,876	-	3,150,876	3,360,742	-	3,360,742
Total Income		3,422,232	-	3,422,232	3,653,650	-	3,653,650
EXPENDITURE ON							
Raising Funds	4	460,571	-	460,571	433,351	-	433,351
Charitable Activities	5	5,175,296	-	5,175,296	4,723,007	-	4,723,007
Total Expenditure		5,635,867	-	5,635,867	5,156,358	-	5,156,358
Net Gains/(Losses) on Investments	9(b)	-	(1,381,254)	(1,381,254)	-	5,202,271	5,202,271
Net Income/(Expenditure)		(2,213,635)	(1,381,254)	(3,594,889)	(1,502,708)	5,202,271	3,699,563
Transfers between Funds	12	2,200,000	(2,200,000)	-	1,500,000	(1,500,000)	-
Net Movement in Funds		(13,635)	(3,581,254)	(3,594,889)	(2,708)	3,702,271	3,699,563
Reconciliation of Funds							
Total Funds Brought Forward 1 April 2024		1,946,295	124,614,717	126,561,012	1,949,003	120,912,446	122,861,449
Total Funds Carried Forward 31 March 2025		1,932,660	121,033,463	122,966,123	1,946,295	124,614,717	126,561,012

All activities reported above, in both the current and preceding year, relate to continuing activities.

The notes on pages 17 to 23 form an integral part of these Financial Statements.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
BALANCE SHEET
AS AT 31 MARCH 2025

	Notes	2025 £	2024 £
FIXED ASSETS			
Investments	9	<u>107,753,415</u>	<u>118,330,777</u>
		<u>107,753,415</u>	<u>118,330,777</u>
CURRENT ASSETS			
Investments	9	10,562,751	3,325,944
Debtors and Prepayments	10	811,911	590,036
Bank and Cash		<u>5,730,788</u>	<u>6,273,771</u>
		<u>17,105,450</u>	<u>10,189,751</u>
Current Liabilities: Amounts falling due within one year	11	(1,892,742)	(1,959,516)
NET CURRENT ASSETS		<u>15,212,708</u>	<u>8,230,235</u>
NET ASSETS	13	<u><u>122,966,123</u></u>	<u><u>126,561,012</u></u>
FUNDS			
Unrestricted Funds		1,932,660	1,946,295
Expendable Endowment Funds		<u>121,033,463</u>	<u>124,614,717</u>
TOTAL FUNDS	12	<u><u>122,966,123</u></u>	<u><u>126,561,012</u></u>

Approved on behalf of The Salvation Army International Trustee Company on 14 November 2025 by:



Edward Hill - Chairman



Garth Niemand - Managing Director

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2025

	2025 £	2024 £
CASH FLOWS FROM OPERATING ACTIVITIES	<u>(2,502,284)</u>	<u>(1,941,327)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(49,859,230)	(30,680,435)
Sales Proceeds from Investment Sales	59,055,338	29,174,134
	<u>9,196,108</u>	<u>(1,506,301)</u>
Change in Cash and Cash Equivalents during the year	6,693,824	(3,447,628)
Cash and Cash Equivalents at start of the year	9,599,715	13,047,343
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>16,293,539</u>	<u>9,599,715</u>
Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities		
Net Movement in Funds	(3,594,889)	3,699,563
Adjustments for:		
Net (Gains)/Losses on Investments	1,381,254	(5,202,271)
(Increase)/Decrease in Debtors	(221,875)	255,748
Increase/(Decrease) in Creditors	(66,774)	(694,367)
Net Cash Provided by Operating Activities	<u>(2,502,284)</u>	<u>(1,941,327)</u>
Analysis of Cash and Cash Equivalents		
Deposits Held by Investment Manager	10,307,021	3,091,843
Cash Held by Investment Manager	255,730	234,101
Cash at Bank	5,730,788	6,273,771
Total Cash and Cash Equivalents	<u>16,293,539</u>	<u>9,599,715</u>

**THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2025**

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out as follows:

(a) Basis of Accounting

The accounts have been prepared under the historical cost convention, subject to the inclusion of investments at market value, and are in compliance with the Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102 second edition) (effective 1 January 2019), the Charities Act 2011, The Salvation Army Act 1980 and FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The charity is a public benefit entity as defined by FRS 102.

- (b) Voluntary Income** – Contributions receivable from Salvation Army Territories are accounted for when remitted by the Territories to the Scheme, including contributions held by the Salvation Army International Trust on behalf of the Scheme. One exception to this is income receivable from the Canada and Bermuda Territory, which is invoiced and recognised on an accruals basis as an additional processing arrangement is in place for this territory.

Other income is recognised when all conditions of receipt are met.

- (c) Investment Income** is accounted for on an accruals basis.

- (d) Other Income** is accounted for on an accruals basis.

- (e) Grants Payable** are accounted for on the basis of approved claims received during the financial year from overseas territories with any outstanding claims accrued.

- (f) Other Expenditure** is accounted for on an accruals basis.

- (g) Going Concern** – The trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern. The trustee has reviewed the schemes financial position, considering cash levels and reserves to continue in the foreseeable future. It is at the discretion of the trustee to determine what contributions can be made to fund retirement allowances and if required these contributions could be decreased to continue as a going concern.

- (h) Expendable Endowment** funds represent donations received over a number of years of which the income earned is used to fund retirement allowances. The capital of the fund can be transferred to unrestricted funds, as and when necessary, to enable the payments to continue when earned income is insufficient.

- (i) Foreign exchange** transactions are recorded at the rate of exchange prevailing at the quarter end date to which the grant relates. All gains and losses on exchange are included in the Statement of Financial Activities.

**THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2025**

2. INCOMING RESOURCES

Contributions were received during the period from the following Salvation Army Territories and other donors.

	2025	2024
	£	£
Canada and Bermuda	271,136	289,434
France and Belgium	-	3,413
	271,136	292,847
Other	220	61
	271,356	292,908

3. INVESTMENT INCOME

	2025	2024
	£	£
Interest Receivable	304,919	324,820
Dividends Receivable	1,326,198	1,516,813
Income from Gilts and Bonds	1,519,759	1,519,109
	3,150,876	3,360,742

4. COST OF RAISING FUNDS

	2025	2024
	£	£
Investment Management Costs	460,571	433,351
	460,571	433,351

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2025

5. CHARITABLE EXPENDITURE

The following grants have been made during the period:

	2025	2024
	£	£
GRANTS		
Angola	17,447	6,055
Bangladesh	6,741	4,387
Brazil	156,257	162,153
Caribbean	336,275	305,130
Congo (Brazzaville)	130,604	126,682
Democratic Republic of Congo	194,416	144,789
Eastern Europe	24,246	17,801
Ghana	65,061	60,873
India Central	263,946	252,621
India Eastern	141,401	133,337
India Northern	140,042	137,852
India South Eastern	390,737	358,124
India South Western	444,960	429,249
India Western	272,254	258,766
Indonesia	159,102	163,964
Kenya East	148,128	112,769
Kenya West	381,036	325,860
Latin America North	93,886	91,988
Liberia and Sierra Leone	11,679	9,255
Malawi	7,507	5,640
Mexico	195,682	202,734
Mozambique	4,251	4,140
Nigeria	53,256	69,873
Pakistan	83,271	65,100
Papua New Guinea and Solomon Islands	60,830	61,947
Philippines	104,499	95,192
Russia (see * below)	10,115	22,970
Singapore, Malaysia and Myanmar	25,455	21,663
South America East	178,140	108,131
South America West	528,851	457,586
Southern Africa	221,155	212,335
Sri Lanka	45,276	41,737
Taiwan	31,907	25,358
Tanzania	10,503	8,307
Uganda	31,576	29,472
Zambia	41,940	52,392
Zimbabwe and Botswana	155,656	129,916
	<u>5,168,088</u>	<u>4,716,148</u>
OTHER EXPENDITURE		
Bank Charges	8	55
Audit Fees	7,200	6,804
	<u>5,175,296</u>	<u>4,723,007</u>

The above grants represent transfers made to overseas Salvation Army Territories to help fund the provision of allowances payable to retired Salvation Army Officers.

*Grants to Russia territory cannot be transferred into Russia in accordance with current banking restrictions imposed by the United Kingdom government. They are transferred to the territory's UK bank account held at Reliance Bank where the territory will draw on them once permitted under banking regulations.

**THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2025**

6. TRUSTEES

Remuneration & Expenses

The directors of the Salvation Army International Trustee Company, the trustees, comprise senior Salvation Army officers and non-executive directors with specialist expertise. Taxable allowances and benefits, as well as trustee expenses are borne by the Salvation Army International Trust.

The non-executive directors did not receive any remuneration for their services.

7. AUDIT COSTS

The amount payable to the auditors for the audit of these financial statements amounts to £6,000 (2024: £5,670) excluding VAT.

8. TAXATION

As a registered charity, the Scheme is entitled to tax exemptions from tax available to charities on its income and gains.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2025

9. INVESTMENTS

	Market Value 2025 £	Cost 2025 £	Market Value 2024 £	Cost 2024 £
(a) Listed Investments				
Bonds				
Government Bonds	2,957,134	4,243,171	3,372,115	4,683,824
Non-Government Bonds	26,541,242	31,581,183	27,722,208	31,707,922
	<u>29,498,376</u>	<u>35,824,354</u>	<u>31,094,323</u>	<u>36,391,746</u>
Equities				
UK Equities	7,981,902	6,738,795	9,187,709	10,064,435
Asian Equities	4,095,497	3,652,392	11,225,323	11,188,264
European Equities	8,313,970	7,300,144	12,736,510	9,013,669
North America Equities	56,839,853	46,192,115	51,709,269	35,569,561
Multi Regional Equities	1,023,817	128,938	2,377,643	3,044,010
	<u>78,255,039</u>	<u>64,012,384</u>	<u>87,236,454</u>	<u>68,879,939</u>
Fixed Asset -Investments (See note 9(b))	<u>107,753,415</u>	<u>99,836,738</u>	<u>118,330,777</u>	<u>105,271,685</u>
Deposits				
Sterling Deposits managed by Sarasins	10,307,021	10,307,021	3,091,843	3,091,843
Cash held with Broker	255,730	255,730	234,101	234,102
	<u>10,562,751</u>	<u>10,562,751</u>	<u>3,325,944</u>	<u>3,325,944</u>
Total Investments	<u>118,316,166</u>	<u>110,399,489</u>	<u>121,656,721</u>	<u>108,597,629</u>
(b) Movement in Listed Investments				
Market Value at 1 April 2024	118,330,777		111,622,205	
Purchases in year	49,859,230		30,680,435	
Sales Proceeds	(59,055,338)		(29,174,134)	
Net Gains/(Losses) – Listed Investments	(1,381,254)		5,202,271	
Market Value at 31 March 2025	<u>107,753,415</u>		<u>118,330,777</u>	

10. DEBTORS

	2025 £	2024 £
Accrued Interest and Dividends	540,775	590,036
Funds Receivable from Territories	271,136	-
	<u>811,911</u>	<u>590,036</u>

11. CREDITORS

	2025 £	2024 £
Amounts owed to The Salvation Army International Trust	113,096	602,946
Accruals	124,274	117,058
Grants Payable	1,655,372	1,239,512
	<u>1,892,742</u>	<u>1,959,516</u>

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2025

12. FUNDS

	Brought Forward 01/04/2024	Income	Expenditure	Gains and (Losses)	Transfers Between Funds	Carried Forward 31/03/2025
	£	£	£	£		£
Unrestricted Funds	1,946,295	3,422,232	(5,635,867)	-	2,200,000	1,932,660
Expendable Endowment Funds	124,614,717	-	-	(1,381,254)	(2,200,000)	121,033,463
Total	126,561,012	3,422,232	(5,635,867)	(1,381,254)	-	122,966,123

The transfer between funds was agreed by the Trustees to ensure adequate unrestricted funds to pay existing and future creditors.

	Brought Forward 01/04/2023	Income	Expenditure	Gains and (Losses)	Transfers Between Funds	Carried Forward 31/03/2024
	£	£	£	£		£
Unrestricted Funds	1,949,003	3,653,650	(5,156,358)	-	1,500,000	1,946,295
Expendable Endowment Funds	120,912,446	-	-	5,202,271	(1,500,000)	124,614,717
Total	122,861,449	3,653,650	(5,156,358)	5,202,271	-	126,561,012

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2025	Expendable Endowments 2025	Total Funds 2025
	£	£	£
Fixed Asset Investments	-	107,753,415	107,753,415
Net Current Assets	1,932,660	13,280,048	15,212,708
	<u>1,932,660</u>	<u>121,033,463</u>	<u>122,966,123</u>

	Unrestricted Funds 2024	Expendable Endowments 2024	Total Funds 2024
	£	£	£
Fixed Asset Investments	-	118,330,777	118,330,777
Net Current Assets	1,946,295	6,283,940	8,230,235
	<u>1,946,295</u>	<u>124,614,717</u>	<u>126,561,012</u>

**THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2025**

14. RELATED PARTIES: TRANSACTIONS WITH CONNECTED TRUSTS

The Salvation Army International Trust is a connected trust and both Trusts have the same Trustee. Officers and Employees of the Salvation Army International Trust provide management services to the scheme which are not recharged. The Retired Officers Allowance Scheme holds a current account and deposit accounts with Reliance Bank Limited which is owned solely by The Salvation Army International Trust. Balances held at the year end at Reliance Bank Limited amounted to £5.73m (2024: £6.27m).

Grants payable to overseas Salvation Army territories are set out in note 5 and grants receivable from overseas Salvation Army territories are set out in note 2. Each territory is governed through local registration(s) and separate legal entities. However, The Salvation Army remains under the oversight, direction and control of the General of The Salvation Army, as set out in greater detail in The Salvation Army Act 1980.

There were no other related party transactions.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

England & Wales - Charity number 1153681

Accounts

The Salvation Army Retired Officers Allowance Scheme



**11th Report and Accounts for
the year ended 31 March 2024**

THE SALVATION ARMY
International Headquarters
101 Queen Victoria Street
London EC4V 4EH

MISSION STATEMENT

International Headquarters exists to support the General as he/she leads The Salvation Army to accomplish its God-given worldwide mission to preach the gospel of Jesus Christ and meet human needs in his name without discrimination.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
TRUSTEE'S REPORT

The Trustee is pleased to present the annual report for The Salvation Army Retired Officers Allowance Scheme for the year ended 31 March 2024.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The General, acting under powers contained in The Salvation Army Act 1980, established The Salvation Army International Trust ('SAIT') to further the worldwide work of The Salvation Army. The Salvation Army International Trustee Company ('SAITCo'), a company limited by guarantee, was formed and appointed as the ordinary Trustee of the International Trust. The Salvation Army Retired Officers Allowance Scheme (referred to as 'the Scheme' or 'ROAS') is a separately registered charity that is administered by SAITCo as the trustee. The directors of SAITCo are thus effectively the trustees of both SAIT and the Scheme.

The Salvation Army International Trustee Company – Ordinary Trustee

Company Registration No 2538134

The Salvation Army International Trust

Registered Charity No 1000566

Trust Settlement Deed dated 21 September 1990

The Salvation Army Retired Officers Allowance Scheme

Registered Charity 1153681

Declaration of Trust dated 13 December 2012

The General of The Salvation Army, as founder of SAIT and the Scheme, specifies the qualifying offices and the experts for SAITCo. Qualifying offices are such offices of The Salvation Army as the General may from time to time specify by notice to SAITCo and experts are persons who satisfy such conditions and/or who have such qualifications or expertise as the General may from time to time specify by notice to SAITCo. Both the qualifying offices' holders and the experts make application for membership of SAITCo with consent to become Directors and are accepted by the Board of Directors of SAITCo. All new directors follow teaching modules prepared specifically for The Salvation Army on its constitution and the duties and responsibilities of directors. In addition individual directors follow external courses.

Directors

Commissioner Lyndon Buckingham	from 3 August 2018 to 2 August 2023
Commissioner Keith Conrad	from 1 August 2019
Commissioner Lee Graves <i>MBA</i>	from 1 November 2020 to 31 August 2023
Commissioner Edward Hill <i>MDiv, MACE</i>	from 1 May 2021
Commissioner Lyn Hills	from 1 July 2024
Commissioner Debbie Horwood	from 1 July 2021
Commissioner Eva Kleman	from 1 November 2020 to 30 June 2024
Commissioner John Kumar Dasari	from 2 April 2024
Commissioner Robyn Maxwell	from 1 November 2020
Commissioner Kenneth Maynor	from 2 September 2023
Commissioner Susan McMillan <i>BCom, MBA, FCPA, FCGA</i>	from 17 July 2023
Commissioner Garth Niemand <i>MBA, BTh</i>	from 3 September 2023
Commissioner Suresh Pawar	from 12 November 2020 to 1 April 2024
Lieut-Colonel Russell Malcolm <i>BCom, DipApTh, MBA, CAANZ CA</i>	from 1 February 2022 to 21 May 2023
Mr Robin Foale	from 1 May 2019
Mr James Gardner <i>MA</i>	from 1 May 2022
Mr Mark Goodale <i>BA, FIA</i>	from 1 May 2019
Mr Robert Lister	from 1 January 2016
Mr Tim Sketchley <i>BA, MA (Cantab), FRICS</i>	from 1 May 2022

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
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Audit Committee Members

Ms Rosie Bichard *GCB.D, CFA* (Chair)
Mr Mark Goodale *BA, FIA*
Mr Tim Sketchley *BA, MA (Cantab), FRICS*
Mr Andrew Stickland *BA(Hons), FCA*

Principal Officers

Commissioner Lee Graves <i>MBA</i>	Managing Director to 31 August 2023
Commissioner Garth Niemand <i>MBA, BTh</i>	Managing Director from 3 September 2023
Dr Matthew Carpenter <i>BA, MBA, DBA, MCMI</i>	Company Secretary
Lieut-Colonel Russell Malcolm <i>BCom, DipApTh, MBA, CAANZ CA</i>	Head of Finance to 21 May 2023
Commissioner Susan McMillan <i>BCom, MBA, FCPA, FCGA</i>	Head of Finance from 22 May 2023
Mr Kaloan Belito <i>BA, DchA, MSc, FCCA</i>	Chief Accountant

Bankers

HSBC Bank plc
60 Queen Victoria Street
London EC4N 4TR

Reliance Bank Limited
Faith House, 23-24 Lovat Lane
London EC3R 8EB

National Westminster Bank
38 Strand
London WC2H 5JB

Solicitors

Slaughter and May
1 Bunhill Row
London EC1Y 8YY

Auditors

Knox Cropper LLP
65 Leadenhall Street
London EC3A 2AD

Investment Manager

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

The Salvation Army is, for administrative purposes, divided into autonomous territories (generally by region or country). Each territory is governed, through local registration(s), in accordance with the applicable local laws and the Scheme works with and through these separate legal entities. However, The Salvation Army remains under the oversight, direction and control of the General of The Salvation Army, as set out in greater detail in The Salvation Army Act 1980.

Connected Entities

The Salvation Army International Trust ('SAIT')

Registered Charity No 1000566
Trust Settlement Deed dated 21 September 1990

SAIT is a separately registered charity that is administered by SAITCo as the trustee. The banking company, Reliance Bank Limited, is a wholly owned subsidiary of SAIT.

SAIT exists to further the work of The Salvation Army, which is to advance the Christian religion and meet human need as and where it occurs throughout the world, and support the work of International Headquarters ('IHQ'). IHQ is responsible for coordinating the international work and overseeing strategy.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME **TRUSTEE'S REPORT**

The Salvation Army in the United Kingdom and the Republic of Ireland

The work of The Salvation Army in the United Kingdom and the Republic of Ireland is directed by the United Kingdom and Ireland Territory, with resources provided through trusts administered by The Salvation Army Trustee Company. The two principal trusts of this territory are The Salvation Army Trust and The Salvation Army Social Work Trust.

Governance

SAITCo utilises a corporate committee structure to supervise operations of the Scheme. This includes operation of a ROAS Investment Committee (exclusively focused on the Scheme portfolio), Audit Committee and Risk Management Committee with significant involvement from the five Independent Non-Executive Directors of SAITCo. The ROAS Investment Committee is chaired by an Independent Non-Executive Director of SAITCo and considers overall strategy for the Scheme on an ongoing basis recognising a range of available actions including adjusting grants, seeking further donations from territories or external donors and adjusting the mandate of the investment manager. The terms of reference for all subsidiary committees and minutes of all meetings of these committees are reviewed by SAITCo Directors on a regular basis with the latest review of terms of reference undertaken in January 2024.

SAITCo has a Serious Incident Reporting Policy and Procedure in place, last reviewed in August 2024, outlining the process to be followed to decide if an incident relating to the Scheme would be appropriate to be reported to the Charity Commission as a serious incident in accordance with the latest regulatory guidance.

A well-established Internal Audit Department also carries out a cycle of reviews of the systems in operation within IHQ and in all countries where The Salvation Army is working and a framework of internal controls and local financial management systems are in place, supported by a manual of International Financial and Accounting Standards ('IFAS') for The Salvation Army issued from IHQ. Salvation Army territories also share findings of locally instructed external audits of territorial operations with IHQ for review and consideration within the internal audit process. The IFAS manual was reviewed and updated during 2022/23, following a comprehensive committee-led drafting process including formal review of consultation materials with 50 Salvation Army territories, with a revised 2023 edition of IFAS issued from IHQ in February 2023 and effective January 2024. A project is also well advanced to roll out cloud-based accounting software to all financially supported territories by 2025/26, enabling more regular and more detailed reporting both within territories and from territories to IHQ, with 23 of the 41 financially supported territories using the software as at November 2024. A new reporting mechanism from all territories to IHQ commenced in 2020/21 and was further developed in 2022/23, based upon the suite of 16 Key Financial Indicators ('KFIs') defined within the IFAS manual, allowing IHQ to be better informed of the financial position in territories as a significant enhancement to internal controls. These structures and initiatives enable ongoing assessment and review of the local use of grants allocated from the Scheme within recipient countries.

An Audit Committee meets on a quarterly basis and comprises four members, including two Independent Non-Executive Directors of SAITCo, with none of the members holding executive responsibility for management of the Scheme. The Committee holds delegated responsibility on behalf of SAITCo for continual review of the financial management and internal controls of the Scheme and holds a direct line of communication to the internal and external auditor.

SAITCo has undertaken a wide ranging and significant governance review in recent years assisted by external consultants and involving a review of SAITCo membership, structure, interrelationships with other IHQ bodies, performance and effectiveness as well as benchmarking to good governance practice as outlined within the Charity Governance Code.

A Board Charter for SAITCo was developed during 2019/20 as an early action within the governance review process

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

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and remains in place. The Charter defines the roles, responsibilities and authorities of SAITCo in the effective and efficient functioning of SAIT and the Scheme and considers mission objectives, board roles, board procedures, board composition, board committees, board induction and ongoing training, conflicts of interest and board evaluation.

During 2020/21, the Articles of Association of SAITCo were revised and the SAITCo Board Charter further reviewed and updated to embed reforms prompted by the governance review. An operational review of IHQ was then undertaken with a number of enhancements implemented in 2021/22 and 2022/23 including changes to the operation of subsidiary boards, committees and councils, update of expenditure authority thresholds for financial decision-making and internal staffing reorganisations.

During 2023/24, an external consultant was engaged by SAITCo to benchmark IHQ practice to the most recent update to the Charity Governance Code, which focuses on the principles of integrity & equality and diversity & inclusion, highlighting opportunities for further development. An action plan was developed to further align SAITCo practice to the Code and was approved by SAITCo for implementation from May 2024. SAITCo already embraces many governance activities outlined within the Code such as conducting board induction and training, board performance monitoring, managing potential or actual conflicts of interest and regularly reviewing terms of reference for subsidiary boards with opportunity for further development in areas such as board consultation with beneficiaries and board review of longer-term financial strategy.

Additional work was also undertaken in 2023/24 to review the risk management protocols of SAITCo with a revised and refreshed SAITCo Risk Register approved by SAITCo for implementation from January 2024. A further body of agreed actions is anticipated in 2024/25 including a further review of the SAITCo Articles of Association and SAITCo Board Charter as well as enhancements to board strategic planning processes.

Remuneration

The Directors of SAITCo comprise senior Salvation Army officers and Independent Non-Executive Directors with specialist expertise. Taxable allowances and benefits as well as Directors expenses are met from SAIT and are not charged to the Scheme.

Modern Slavery Act

The Salvation Army is very active in bringing practical assistance to those whose lives have been affected by the evil of modern slavery and as such is sensitive to the danger of inadvertently finding itself falling short of its own beliefs and standards in this regard as well as the standards set out in the UK Government's Modern Slavery Act 2015. The Modern Slavery Act 2015 compliance statement for SAITCo, reviewed and updated in November 2023, can be accessed at <http://www.salvationarmy.org/ihq/modernslaveryact2015> and provides details of the variety of measures undertaken by SAITCo to avoid and reduce the risk of inadvertently supporting modern slavery in any way.

Fundraising

Section 162a of the Charities Act 2011, as amended by the Charities Act 2022, requires charities to make a statement regarding fundraising activities. Although the Scheme does not actively undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts receivable are presented in the Accounts as "Other Donations".

In relation to the above, SAITCo confirms that no fundraising activity has been taken by the Scheme, or by anyone acting on its behalf, that no fundraising standards or scheme for fundraising regulation has been subscribed to by the Scheme, or by anyone acting on its behalf, that no complaints in relation to fundraising activities have been received and that any solicitations are managed internally, without involvement of commercial participators or professional fund-raisers.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

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OBJECTIVES AND ACTIVITIES

Public Benefit

In setting and reviewing the Scheme's aims and objectives and planning future activities, SAITCo pays due regard to the guidance issued by the Charity Commission on public benefit. The main activities of the charity are:

- To relieve the poverty of retired officers of The Salvation Army anywhere in the world by funding provision of retirement allowances.
- To relieve financial hardship amongst elderly retired officers of The Salvation Army anywhere in the world by funding provision of retirement allowances.

The charitable objects are achieved by issuing grants to Salvation Army territories and regions around the world to fund the provision of retirement allowances to officers of The Salvation Army.

During the reporting period, the Scheme was able to cover 100% of the cost of the basic retirement allowances of Salvation Army officers in territories, regions and commands requiring this financial support.

ACHIEVEMENTS AND PERFORMANCE

The Scheme distributed grants to 37 overseas territories during the year with allocated grants totalling £4,716,148 (2023: £4,725,037) providing funding towards the retirement allowances of 3,406 officers of The Salvation Army (2023: 3,479). The following illustrative testimonials have been provided by recipient territories:

Ghana Territory

"ROAS grants make a huge difference to retired officers in Ghana Territory.

The grants allow retired officers to shop for food items and also to access healthcare including reviews, check-ups, physiotherapy and use of supplements for chronic ailments. ROAS grants also help our retired officers pay the rent and utility bills and meet other essential and basic needs.

All of our retired officers appreciate the support given by ROAS which is vitally important and helps make their lives better."

Singapore, Malaysia, Myanmar and Thailand Territory

"The vital lifeline provided by ROAS grants is no better illustrated than by the position of retired officers in Myanmar. The country of Myanmar has been grappling with government turmoil and inflation for some time which has caused widespread hardship. Many people struggle to afford basic necessities like food and medicine.

ROAS grants provide a critical safety net for a small group of around 25 retired officers in Myanmar. The allowance helps them to cover essential expenses and maintain a basic living standard. This financial support has been especially important as many of the retired officers do not have a national pension plan to lean on.

The funding from ROAS demonstrates the importance of social safety nets during times of economic crisis and has made a real difference."

Eastern Europe Territory

"The retired officers of Eastern Europe Territory express gratitude and appreciation for the ongoing funding support provided by ROAS.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME **TRUSTEE'S REPORT**

As a result of ROAS grants, they need not worry about heating during winter and other daily utilities though these and other basic household essentials can be very expensive.

They can live in heated homes with ROAS support as the pension provided by the government is often sufficient only for food and medicine. High inflation is also often a problem which can make it harder to meet daily needs without additional support.

Once again, thank you very much for the crucial support offered by ROAS.”

Bangladesh Territory

“The Salvation Army’s work started in Bangladesh by offering disaster support after a cyclone in 1971, which built the foundation for a ministry to those in great need. The country of Bangladesh also became an independent nation in 1971 and has since been developing to become more prosperous and self-reliant.

The territory is on its own growth journey towards sustainability and receipt of ROAS grants allows territorial staff to focus limited resources on other operating requirements knowing funding for retired officers is secured.

ROAS grants are a great support to the territory and our retired officers are very grateful for the amounts received. The high cost of living and especially healthcare costs make it difficult for people to get by and ROAS grants make a vital and positive difference to the daily life of our retired officers.”

Brazil Territory

Brazil is the sixth largest country in the world with a large population of older people including the retired officers of Brazil Territory.

Old age is a phase of life marked by valuable experiences and achievements. At this stage, when the body goes through natural changes it is important to take extra care of health and diet and there can be an increase in spending on medicines which are expensive in Brazil and can absorb an increasingly significant part of personal budgets.

ROAS grants are invaluable to our retired officers and provide them with a better quality of life with access to good food, health treatment and the ability to purchase medicines.

The ROAS scheme is a great help and the security of receiving regular payments allows the retirement years of our retired officers to be filled with tranquillity and wellbeing.

We are grateful to ROAS for the care and support provided to our retired officers by this funding stream”

Key Statistics

- ☐ The Scheme distributed grants to 37 overseas territories during 2023/24 totalling £4.72 million.
- ☐ Grants have significantly increased in recent years from £1.13 million (2016) to £4.72 million (2024).
- ☐ 3,406 retired officers of The Salvation Army benefitted from the grants distributed during the year.

Future Plans

The longstanding aim of the Scheme has been to build an investment portfolio sufficient to cover up to 100% of the cost of the basic retirement allowances of Salvation Army officers in territories requiring this financial support.

This significant milestone was realised with commencement of grants to cover 100% of the cost of the basic retirement allowances effective from 2016/17, with grants subsequently maintained at this level including for the year

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME **TRUSTEE'S REPORT**

under review. Achievement of this keynote objective was only possible due to the strong financial position of the Scheme (see Financial Review below) with the operational impact upon beneficiaries to be continually monitored and assessed in future years.

Going forward, the Scheme will focus upon maintaining total grant funding at a level sufficient to cover 100% of the cost of the basic retirement allowances of Salvation Army officers in territories requiring this financial support, within a sustainable funding model.

The Trustee continues to monitor developments closely in relation to the Russia/Ukraine crisis and other external events and remains confident that the level of reserves held is adequate in the changing economic climate and does not impact adversely on the Scheme's going concern status. The Trustee considers there are no material uncertainties about the charity's ability to continue as a going concern.

SAITCo will continue to actively monitor the impact of the Russia/Ukraine crisis and other external events upon the operations of the Scheme as well as those of SAIT and Salvation Army territories with updates provided to the board considering the impact of the crisis upon global Salvation Army operations, the financial position of the Scheme, the investment portfolio of the Scheme and associated logistical matters.

The Scheme is well placed to meet external events and achieve its focused grant-making objectives due to its strong financial position, investment strategy and reserves policy (see Financial Review below) all underpinned by the governance structures of SAITCo.

FINANCIAL REVIEW

Total income of £3,653,650 (2023: £3,216,358) was received during 2023/24 including contributions from Salvation Army territories totaling £292,847 (2023: £299,951).

The total investment income of £3,360,742 (2023: £2,916,407) received during 2023/24 comprised interest receivable of £324,820 (2023: £136,617), dividends receivable of £1,516,813 (2023: £1,499,529) and income from gilts and bonds of £1,519,109 (2023: £1,280,261). Total expenditure showed an decrease from £5,183,819 (2023) to £5,156,358 (2024) including distributions to recipient territories of £4,716,148 (2023: £4,725,037), cost of raising funds of £433,351 (2023: £452,226) and other costs of £6,860 (2023: £6,556).

Movement in listed investments recorded a net gain of £5,202,271 following a net loss of £8,020,370 (2023), reflecting market conditions and representing both the realised and unrealised gains/losses arising on sales and the market value of investments held at year end.

A transfer of £1,500,000 (2023: £2,000,000) was made from expendable endowment funds to unrestricted funds upon instruction from the ROAS Investment Committee in accordance with the Reserves Policy (see below).

The net movement in funds for the year shows an increase in expendable endowment funds of £3,702,271 and a decrease in unrestricted funds of £2,708. Total funds of £126,561,012 were held at year end comprising £124,614,717 in expendable endowment funds and £1,946,295 in unrestricted funds.

Investments

Investments are managed under the terms of an investment management agreement with Sarasin & Partners LLP. The investment manager is required to make investments on behalf of the Scheme in line with benchmarks that have been set and against which performance is measured.

The ROAS Investment Committee which sits to review investment performance receives periodic reports on matters pertinent to its investment policy and this facilitates discussion which, in turn, enhances the committees understanding of the relationship between its Christian conviction and ethos and investment return; and even more importantly, the positive

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
TRUSTEE'S REPORT

effect that its policy can have on companies which themselves may (or may not) be seeking to improve conditions in many parts of the world. The reports are tabled at meetings of SAITCo so that those Directors who do not sit on the Investment Committee have an opportunity to add to the debate and have greater understanding of the issues that the Scheme can tackle through its investment policy.

SAITCo has established an ethical investment policy to reflect The Salvation Army's ethical and moral stance. Therefore, this policy excludes investment in companies which derive more than 10% of their revenues in aggregate from any of the following categories:

- a) the production and/or sale of alcohol
- b) the production and/or sale of tobacco
- c) the manufacture and/or sale of whole weapons, weapon platforms and weapon systems
- d) the manufacture and/or sale of strategic parts for weapon systems
- e) the promotion or operation of gambling enterprises
- f) the provision of adult entertainment services
- g) the publication and/or sale of pornographic media
- h) the extraction of thermal coal or the production of oil from tar sands

For the avoidance of doubt in relation to sub-paragraphs (c) and (d) above, 'weapons' refers to both nuclear and conventional weapons. In addition, investment is excluded in companies with disregard for human rights and/or the pollution of the environment.

Beyond the ethical statement, the investment manager is directed to consider The Salvation Army Act 1980 and to monitor the portfolio to ensure companies held within it adhere to best practice in corporate governance, employment conditions, social responsibility and environmental sustainability. Currencies other than those of OECD countries should be limited to a maximum of 30% of the total portfolio.

The following table gives the long-term ranges and current weightings expressed in percentages of the Scheme investment funds:

Asset Type	Long-term Range	Year End Position
at 31/03/2024		Weightings
Long-dated Global Bonds	15 - 35%	25.9%
Equities	55 - 75%	67.4%
Alternatives	0 - 10%	4.0%
Liquid Assets	0 – 10%	2.7%
Total		100.0%

For the year ended 31 March 2024, the portfolio total return amounted to 7.4% against an ethically adjusted comparator return of 14.8%.

Equity markets for much of 2023 were broadly characterised by narrow leadership and sector rotation away from the strong performers of 2022 (energy and utilities sectors) in favour of technology, specifically companies with ties to the fast-growing world of artificial intelligence. Equity market returns were highly concentrated in just a few stocks, some of which were held by the portfolio while others were not as the portfolio is more diversified from a risk/return perspective, investing in high quality companies across different sectors that should benefit from long-term, global thematic trends. Towards the end of 2023 the positive performance continued and also slightly broadened into other sectors and asset classes, with bonds staging a rally from their lows in anticipation of interest rate cuts to come.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

TRUSTEE'S REPORT

Investment strategy going forward will continue to be closely monitored by the ROAS Investment Committee in consideration of external events and emergent market conditions.

Reserves

The capital funds of the Scheme are held as expendable endowment funds in accordance with the wishes of the donors. The purpose is to invest these funds to generate a sufficient return to fund the grants to overseas territories covering up to 100% of the cost of the basic retirement allowances for retired officers in accordance with long standing objectives.

During 2018/19, the ROAS Investment Committee concluded a consultation with prior donors to the Scheme which secured their support for use of investment gains as well as investment income to fund the expenditure of ROAS with this enacted via a year end procedure agreed by the Committee with the external auditors and in effect for the year under review. Under this procedure the ROAS Investment Committee assess the forecast year end position, reviews the projected overall surplus/deficit for the current year and the balances carried forward on unrestricted funds and expendable endowment funds, and decides if a transfer from expendable endowment funds to unrestricted funds (use of investment return to fund annual expenditure) is necessary.

Following deliberations, the Committee instructed a transfer of £1,500,000 from expendable endowment funds to unrestricted funds for 2023/24 with a final balance, following processing of the transfer, of £124,614,717 in expendable endowment funds and £1,946,295 in unrestricted funds.

Principal Risks and Uncertainties

SAITCo acknowledges its responsibilities relating to the management of risk. A formal risk management programme continues to operate allowing risks to be identified, classified and prioritised in terms of potential occurrence and impact. The Board of Directors of SAITCo has appointed a Risk Management Committee consisting of ten members, including an Independent Non-Executive Director of SAITCo.

A Risk Manager has been appointed and a Risk Register is maintained and kept under regular review by the Risk Manager and the Risk Management Committee. The Risk Management Committee works with the Risk Owner of each major risk to ensure acceptable action is taken to manage the risk and to establish suitable systems to reduce the likelihood of harmful outcomes occurring and the impact on the organisation should they occur.

In addition to the above framework, a range of additional protocols are in place allowing SAITCo to actively monitor the impact of the Russia/Ukraine crisis and other external events upon the operations of the Scheme as well as those of SALT and Salvation Army territories with working parties appointed by SAITCo as needed to undertake tasks in specific areas and provide regular updates to the board considering the impact of any material external crises upon global Salvation Army operations, the financial position of the Scheme, the investment portfolio of the Scheme and associated logistical matters.

A significant work project has been progressed by the Risk Management Committee during 2023/24, supported by an external consultant engaged by SAITCo, to review existing risk management protocols and the formatting of the risk register against latest Charity Commission guidance and sectoral best practice. A revised and refreshed risk register format was finalised by the Committee and approved by SAITCo for implementation from January 2024, placing additional emphasis upon scoring of inherent and residual risks and analysis of cyber, data protection and environmental risks among other changes.

The main risks and uncertainties faced by the Scheme, as detailed in the SAITCo Risk Register at the end of the financial year under review, are outlined below in top-down priority order together with a summary of the mitigating strategies being pursued to manage these risks:

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Key Risk	Mitigating Strategy
Investment risk for ROAS portfolio including but not limited to inflation risk, shortfall risk, country risk, currency risk, interest rate risk, volatility risk, liquidity risk, manager risk and market risk.	Perpetual review of investment performance and development of risk mitigating strategies by ROAS Investment Committee which includes external experts and is chaired by an Independent Non-Executive Director of SAITCo.
Unexpected demands for ROAS distributions.	Regular submission of budgets and retired officer allowance scales from territories for approval at IHQ Boards. Ongoing review of ROAS distribution levels by ROAS Investment Committee and SAITCo.
Deficient financial administration of ROAS grants in territories.	Continuous IHQ monitoring of global operations on a territory-by-territory basis. A suite of policies and procedures in place to manage operational risks. Annual external audits of territories with internal audits also undertaken periodically depending on the extent of perceived risk.

Statement of Trustee's Responsibilities

SAITCo is required to prepare an annual report and financial statements in order to discharge its duty of public accountability and stewardship. This report must give a true and fair view of the Scheme's affairs and its incoming resources and resources expended. In so doing SAITCo is required to account for all money and other assets which have been entrusted to the Scheme for whatever purpose. It is the responsibility of SAITCo to safeguard the assets of the Scheme and take all reasonable steps to prevent fraud and other irregularities.

SAITCo is responsible for ensuring that the assets of the Scheme are employed solely in furthering the objects as set out in the Declaration of Trust.

SAITCo is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Scheme. Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). In preparing the financial statements, SAITCo is required to:

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

For and on behalf of the Directors of The Salvation Army International Trustee Company.



Commissioner Garth Niemand *MBA BTh*
Managing Director

15 November 2024

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEE
OF THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

Opinion

We have audited the financial statements of The Salvation Army Retired Officers Allowance Scheme (the 'charity') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows 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 charity's affairs as at 31 March 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis of opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEE
OF THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the Trustee's Responsibilities Statement set out on page 10, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEE
OF THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

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:

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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

Use of the audit report

This report is made solely to the charity's trustee in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the charity's trustee those matters we are required to state to the trustee in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustee for our audit work, for this report or for the opinions we have formed.

Knox Cropper LLP

Knox Cropper LLP
Statutory Auditor
65 Leadenhall Street
London EC3A 2AD

15 November 2024

Knox Cropper LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 MARCH 2024

		2024			2023		
	Notes	Unrestricted Funds £	Expendable Endowment Funds £	Total £	Unrestricted Funds £	Expendable Endowment Funds £	Total £
INCOME AND ENDOWMENTS FROM							
Voluntary Income	2						
Received from Salvation Army Territories		292,847	-	292,847	299,951	-	299,951
Other Donations		61	-	61	-	-	-
		<u>292,908</u>	<u>-</u>	<u>292,908</u>	<u>299,951</u>	<u>-</u>	<u>299,951</u>
Investments	3	3,360,742	-	3,360,742	2,916,407	-	2,916,407
Total Income		<u>3,653,650</u>	<u>-</u>	<u>3,653,650</u>	<u>3,216,358</u>	<u>-</u>	<u>3,216,358</u>
EXPENDITURE ON							
Raising Funds	4	433,351	-	433,351	452,226	-	452,226
Charitable Activities	5	4,723,007	-	4,723,007	4,731,593	-	4,731,593
Total Expenditure		<u>5,156,358</u>	<u>-</u>	<u>5,156,358</u>	<u>5,183,819</u>	<u>-</u>	<u>5,183,819</u>
Net Gains/(Losses) on Investments	9(b)	-	5,202,271	5,202,271	-	(8,020,370)	(8,020,370)
Net Income/(Expenditure)		<u>(1,502,708)</u>	<u>5,202,271</u>	<u>3,699,563</u>	<u>(1,967,461)</u>	<u>(8,020,370)</u>	<u>(9,987,831)</u>
Transfers between Funds	12	1,500,000	(1,500,000)	-	2,000,000	(2,000,000)	-
Other Recognised Gains/(Losses)							
Other Gains/(Losses)		-	-	-	-	-	-
Net Movement in Funds		<u>(2,708)</u>	<u>3,702,271</u>	<u>3,699,563</u>	<u>32,539</u>	<u>(10,020,370)</u>	<u>(9,987,831)</u>
Reconciliation of Funds							
Total Funds Brought Forward 1 April 2023		1,949,003	120,912,446	122,861,449	1,916,464	130,932,816	132,849,280
Total Funds Carried Forward 31 March 2024		<u>1,946,295</u>	<u>124,614,717</u>	<u>126,561,012</u>	<u>1,949,003</u>	<u>120,912,446</u>	<u>122,861,449</u>

All activities reported above, in both the current and preceding year, relate to continuing activities.

The notes on pages 17 to 23 form an integral part of these Financial Statements.

**THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
BALANCE SHEET
AS AT 31 MARCH 2024**

	Notes	2024 £	2023 £
FIXED ASSETS			
Investments	9	118,330,777	111,622,205
		<u>118,330,777</u>	<u>111,622,205</u>
CURRENT ASSETS			
Investments	9	3,325,944	6,925,052
Debtors and Prepayments	10	590,036	845,784
Bank and Cash		6,273,771	6,122,291
		<u>10,189,751</u>	<u>13,893,127</u>
Current Liabilities: Amounts falling due within one year	11	(1,959,516)	(2,653,883)
NET CURRENT ASSETS		<u>8,230,235</u>	<u>11,239,244</u>
NET ASSETS	13	<u>126,561,012</u>	<u>122,861,449</u>
FUNDS			
Unrestricted Funds		1,946,295	1,949,003
Expendable Endowment Funds		124,614,717	120,912,446
TOTAL FUNDS	12	<u>126,561,012</u>	<u>122,861,449</u>

Approved on behalf of The Salvation Army International Trustee Company on 15 November 2024 by:



Edward Hill - Chairman



Garth Niemand - Managing Director

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2024

	2024 £	2023 £
CASH FLOWS FROM OPERATING ACTIVITIES	<u>(1,941,327)</u>	<u>(1,186,811)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(30,680,435)	(43,420,393)
Sales Proceeds from Investment Sales	<u>29,174,134</u>	<u>45,165,649</u>
	<u>(1,506,301)</u>	<u>1,745,256</u>
Change in Cash and Cash Equivalents during the year	(3,447,628)	558,445
Cash and Cash Equivalents at start of the year	<u>13,047,343</u>	<u>12,488,898</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>9,599,715</u>	<u>13,047,343</u>
 Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities		
Net Movement in Funds	3,699,563	(9,987,831)
Adjustments for:		
Net (Gains)/Losses on Investments	(5,202,271)	8,020,370
(Increase)/Decrease in Debtors	255,748	(184,651)
Increase/(Decrease) in Creditors	<u>(694,367)</u>	<u>965,301</u>
Net Cash Provided by Operating Activities	<u>(1,941,327)</u>	<u>(1,186,811)</u>
 Analysis of Cash and Cash Equivalents		
Deposits Held by Investment Manager	3,091,843	6,656,377
Cash Held by Investment Manager	234,101	268,675
Cash at Bank	<u>6,273,771</u>	<u>6,122,291</u>
Total Cash and Cash Equivalents	<u>9,599,715</u>	<u>13,047,343</u>

**THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2024**

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out as follows:

(a) Basis of Accounting

The accounts have been prepared under the historical cost convention, subject to the inclusion of investments at market value, and are in compliance with the Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102 second edition) (effective 1 January 2019), the Charities Act 2011, The Salvation Army Act 1980 and FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The charity is a public benefit entity as defined by FRS 102.

- (b) Voluntary Income** – Contributions receivable from Salvation Army Territories are accounted for when remitted by the Territories to the Scheme, including contributions held by the Salvation Army International Trust on behalf of the Scheme. One exception to this is income receivable from the Canada and Bermuda Territory, which is invoiced and recognised on an accruals basis as an additional processing arrangement is in place for this territory.

Other income is recognised when all conditions of receipt are met.

- (c) Investment Income** is accounted for on an accruals basis.

- (d) Other Income** is accounted for on an accruals basis.

- (e) Grants Payable** are accounted for on the basis of approved claims received during the financial year from overseas territories with any outstanding claims accrued.

- (f) Other Expenditure** is accounted for on an accruals basis.

- (g) Going Concern** – The trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern. The trustee has reviewed the schemes financial position, considering cash levels and reserves to continue in the foreseeable future. It is at the discretion of the trustee to determine what contributions can be made to fund retirement allowances and if required these contributions could be decreased to continue as a going concern.

- (h) Expendable Endowment** funds represent donations received over a number of years of which the income earned is used to fund retirement allowances. The capital of the fund can be transferred to unrestricted funds, as and when necessary, to enable the payments to continue when earned income is insufficient.

- (i) Foreign exchange** transactions are recorded at the rate of exchange prevailing at the quarter end date to which the grant relates. All gains and losses on exchange are included in the Statement of Financial Activities.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2024

2. INCOMING RESOURCES

Contributions were received during the period from the following Salvation Army Territories and other donors.

	Unrestricted Contributions	2024	2023
	£	£	£
Canada and Bermuda	289,434	289,434	299,951
France and Belgium	3,413	3,413	-
	<u>292,847</u>	<u>292,847</u>	<u>299,951</u>
Other	61	61	-
	<u>292,908</u>	<u>292,908</u>	<u>299,951</u>

3. INVESTMENT INCOME

	2024	2023
	£	£
Interest Receivable	324,820	136,617
Dividends Receivable	1,516,813	1,499,529
Income from Gilts and Bonds	<u>1,519,109</u>	<u>1,280,261</u>
	<u>3,360,742</u>	<u>2,916,407</u>

4. COST OF RAISING FUNDS

	2024	2023
	£	£
Investment Management Costs	<u>433,351</u>	<u>452,226</u>
	<u>433,351</u>	<u>452,226</u>

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2024

5. CHARITABLE EXPENDITURE

The following grants have been made during the period:

	2024	2023
	£	£
GRANTS		
Angola	6,055	10,140
Bangladesh	4,387	3,314
Brazil	162,153	73,090
Caribbean	305,130	323,903
Congo (Brazzaville)	126,682	113,769
Democratic Republic of Congo	144,789	156,396
Eastern Europe	17,801	20,362
Ghana	60,873	64,504
India Central	252,621	241,595
India Eastern	133,337	126,598
India Northern	137,852	129,361
India South Eastern	358,124	339,582
India South Western	429,249	425,657
India Western	258,766	254,459
Indonesia	163,964	178,979
Kenya East	112,769	129,654
Kenya West	325,860	393,283
Latin America North	91,988	81,394
Liberia and Sierra Leone	9,255	8,433
Malawi	5,640	7,881
Mexico	202,734	179,940
Mozambique	4,140	3,453
Nigeria	69,873	124,981
Pakistan	65,100	65,114
Papua New Guinea and Solomon Islands	61,947	64,472
Philippines	95,192	91,715
Russia (see * below)	22,970	36,585
Singapore, Malaysia and Myanmar	21,663	21,887
South America East	108,131	168,596
South America West	457,586	414,919
Southern Africa	212,335	230,871
Sri Lanka	41,737	34,779
Taiwan	25,358	25,661
Tanzania	8,307	5,962
Uganda	29,472	24,353
Zambia	52,392	60,540
Zimbabwe and Botswana	129,916	88,855
	<u>4,716,148</u>	<u>4,725,037</u>
OTHER EXPENDITURE		
Bank Charges	55	76
Audit Fees	6,804	6,480
	<u>4,723,007</u>	<u>4,731,593</u>

The above grants represent transfers made to overseas Salvation Army Territories to help fund the provision of allowances payable to retired Salvation Army Officers.

*Grants to Russia territory cannot be transferred into Russia in accordance with current banking restrictions imposed by the United Kingdom government. They are transferred to the territory's UK bank account held at Reliance Bank where the territory will draw on them once permitted under banking regulations.

**THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2024**

6. TRUSTEES

Remuneration & Expenses

The directors of the Salvation Army International Trustee Company, the trustees, comprise senior Salvation Army officers and non-executive directors with specialist expertise. Taxable allowances and benefits, as well as trustee expenses are borne by the Salvation Army International Trust.

The non-executive directors did not receive any remuneration for their services.

7. AUDIT COSTS

The amount payable to the auditors for the audit of these financial statements amounts to £5,670 (2023: £5,400) excluding VAT.

8. TAXATION

As a registered charity, the Scheme is entitled to tax exemptions from tax available to charities on its income and gains.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2024

9. INVESTMENTS

	Market Value 2024 £	Cost 2024 £	Market Value 2023 £	Cost 2023 £
(a) Listed Investments				
Bonds				
Government Bonds	3,372,115	4,683,824	3,421,053	4,288,165
Non-Government Bonds	27,722,208	31,707,922	26,287,747	30,034,396
	<u>31,094,323</u>	<u>36,391,746</u>	<u>29,708,800</u>	<u>34,322,561</u>
Equities				
UK Equities	9,187,709	10,064,435	14,198,001	14,413,189
Asian Equities	11,225,323	11,188,264	11,267,806	9,934,576
European Equities	12,736,510	9,013,669	9,100,931	7,432,759
North America Equities	51,709,269	35,569,561	44,884,888	37,950,816
Multi Regional Equities	2,377,643	3,044,010	2,461,779	2,718,287
	<u>87,236,454</u>	<u>68,879,939</u>	<u>81,913,405</u>	<u>72,449,627</u>
Fixed Asset -Investments (See note 9(b))	<u>118,330,777</u>	<u>105,271,685</u>	<u>111,622,205</u>	<u>106,772,188</u>
Deposits				
Sterling Deposits managed by Sarasins	3,091,843	3,091,843	6,656,377	6,656,377
Cash held with Broker	234,101	234,102	268,675	268,675
	<u>3,325,944</u>	<u>3,325,944</u>	<u>6,925,052</u>	<u>6,925,052</u>
Total Investments	<u>121,656,721</u>	<u>108,597,629</u>	<u>118,547,257</u>	<u>113,697,240</u>
(b) Movement in Listed Investments				
Market Value at 1 April 2023	111,622,205		121,387,831	
Purchases in year	30,680,435		43,420,393	
Sales Proceeds	(29,174,134)		(45,165,649)	
Net Gains/(Losses) – Listed Investments	5,202,271		(8,020,370)	
Market Value at 31 March 2024	<u>118,330,777</u>		<u>111,622,205</u>	

10. DEBTORS

	2024 £	2023 £
Accrued Interest and Dividends	590,036	545,833
Funds Receivable from Territories	-	299,951
	<u>590,036</u>	<u>845,784</u>

11. CREDITORS

	2024 £	2023 £
Amounts owed to The Salvation Army International Trust	602,946	1,169,594
Accruals	117,058	117,639
Grants Payable	1,239,512	1,366,650
	<u>1,959,516</u>	<u>2,653,883</u>

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2024

12. FUNDS

	Brought Forward 01/04/2023	Income	Expenditure	Gains and (Losses)	Transfers Between Funds	Carried Forward 31/03/2024
	£	£	£	£		£
Unrestricted Funds	1,949,003	3,653,650	(5,156,358)	-	1,500,000	1,946,295
Expendable Endowment Funds	120,912,446	-	-	5,202,271	(1,500,000)	124,614,717
Total	122,861,449	3,653,650	(5,156,358)	5,202,271	-	126,561,012

The transfer between funds was agreed by the Trustees to ensure adequate unrestricted funds to pay existing and future creditors.

	Brought Forward 01/04/2022	Income	Expenditure	Gains and (Losses)	Transfers Between Funds	Carried Forward 31/03/2023
	£	£	£	£		£
Unrestricted Funds	1,916,464	3,216,358	(5,183,819)	-	2,000,000	1,949,003
Expendable Endowment Funds	130,932,816	-	-	(8,020,370)	(2,000,000)	120,912,446
Total	132,849,280	3,216,358	(5,183,819)	(8,020,370)	-	122,861,449

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2024	Expendable Endowments 2024	Total Funds 2024
	£	£	£
Fixed Asset Investments	-	118,330,777	118,330,777
Net Current Assets	1,946,295	6,283,940	8,230,235
	1,946,295	124,614,717	126,561,012

	Unrestricted Funds 2023	Expendable Endowments 2023	Total Funds 2023
	£	£	£
Fixed Asset Investments	-	111,622,205	111,622,205
Net Current Assets	1,949,003	9,290,241	11,239,244
	1,949,003	120,912,446	122,861,449

**THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2024**

14. RELATED PARTIES: TRANSACTIONS WITH CONNECTED TRUSTS

The Salvation Army International Trust is a connected trust and both Trusts have the same Trustee. Officers and Employees of the Salvation Army International Trust provide management services to the scheme which are not recharged. The Retired Officers Allowance Scheme holds a current account and deposit accounts with Reliance Bank Limited which is owned solely by The Salvation Army International Trust. Balances held at the year end at Reliance Bank Limited amounted to £6.27m (2023: £6.12m).

Grants payable to overseas Salvation Army territories are set out in note 5 and grants receivable from overseas Salvation Army territories are set out in note 2. Each territory is governed through local registration(s) and separate legal entities. However, The Salvation Army remains under the oversight, direction and control of the General of The Salvation Army, as set out in greater detail in The Salvation Army Act 1980.

There were no other related party transactions.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

England & Wales - Charity number 1153681

Accounts

The Salvation Army Retired Officers Allowance Scheme



**10th Report and Accounts for
the year ended 31 March 2023**

THE SALVATION ARMY
International Headquarters
101 Queen Victoria Street
London EC4V 4EH

MISSION STATEMENT

International Headquarters exists to support the General as he/she leads The Salvation Army to accomplish its God-given worldwide mission to preach the gospel of Jesus Christ and meet human needs in his name without discrimination.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
TRUSTEE'S REPORT

The Trustee is pleased to present the annual report for The Salvation Army Retired Officers Allowance Scheme for the year ended 31 March 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The General, acting under powers contained in The Salvation Army Act 1980, established The Salvation Army International Trust ('SAIT') to further the worldwide work of The Salvation Army. The Salvation Army International Trustee Company ('SAITCo'), a company limited by guarantee, was formed and appointed as the ordinary Trustee of the International Trust. The Salvation Army Retired Officers Allowance Scheme (referred to as 'the Scheme' or 'ROAS') is a separately registered charity that is administered by SAITCo as the trustee. The directors of SAITCo are thus effectively the trustees of both SAIT and the Scheme.

The Salvation Army International Trustee Company – Ordinary Trustee

Company Registration No 2538134

The Salvation Army International Trust

Registered Charity No 1000566

Trust Settlement Deed dated 21 September 1990

The Salvation Army Retired Officers Allowance Scheme

Registered Charity 1153681

Declaration of Trust dated 13 December 2012

The General of The Salvation Army, as founder of SAIT and the Scheme, specifies the qualifying offices and the experts for SAITCo. Qualifying offices are such offices of The Salvation Army as the General may from time to time specify by notice to SAITCo and experts are persons who satisfy such conditions and/or who have such qualifications or expertise as the General may from time to time specify by notice to SAITCo. Both the qualifying offices' holders and the experts make application for membership of SAITCo with consent to become Directors and are accepted by the Board of Directors of SAITCo. All new directors follow teaching modules prepared specifically for The Salvation Army on its constitution and the duties and responsibilities of directors. In addition individual directors follow external courses.

Directors

Commissioner Lyndon Buckingham	from 3 August 2018 to 2 August 2023
Commissioner Keith Conrad	from 1 August 2019
Commissioner Lee Graves <i>MBA</i>	from 1 November 2020 to 31 August 2023
Commissioner Edward Hill <i>MDiv, MACE</i>	from 1 May 2021
Commissioner Debbie Horwood	from 1 July 2021
Commissioner Eva Kleman	from 1 November 2020
Commissioner Robyn Maxwell	from 1 November 2020
Commissioner Kenneth Maynor	from 2 September 2023
Commissioner Susan McMillan <i>BCom, MBA, FCPA, FCGA</i>	from 17 July 2023
Commissioner Garth Niemand <i>MBA, Pth</i>	from 3 September 2023
Commissioner Suresh Pawar	from 12 November 2020
Lieut-Colonel Russell Malcolm <i>BCom, DipApTh, MBA, CAANZ CA</i>	from 1 February 2022 to 21 May 2023
Ms Elizabeth Edwards <i>BSc (Hons), FRICS</i>	from 1 May 2013 to 30 April 2022
Mr Robin Foale	from 1 May 2019
Mr James Gardner <i>MA</i>	from 1 May 2022
Mr Mark Goodale <i>BA, FIA</i>	from 1 May 2019
Mr Peter King <i>Solicitor, MA</i>	from 1 May 2013 to 30 April 2022
Mr Robert Lister	from 1 January 2016
Mr Tim Sketchley <i>BA, MA (Cantab), FRICS</i>	from 1 May 2022

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
TRUSTEE'S REPORT

Audit Committee Members

Ms Rosie Bichard *GCB.D, CFA* (Chair)
Mr Mark Goodale *BA, FIA*
Mr Tim Sketchley *BA, MA (Cantab), FRICS*
Mr Andrew Stickland *BA(Hons), FCA*

Principal Officers

Commissioner Lee Graves *MBA*
Commissioner Garth Niemand *MBA, Pth*
Dr Matthew Carpenter *BA, MBA, DBA, MCM*
Lieut-Colonel Russell Malcolm *BCom, DipApTh, MBA, CAANZ CA*
Commissioner Susan McMillan *BCom, MBA, FCPA, FCGA*
Mr Kaloan Belito *BA, DchA, MSc, FCCA*

Managing Director to 31 August 2023
Managing Director from 3 September 2023
Company Secretary
Head of Finance to 21 May 2023
Head of Finance from 22 May 2023
Chief Accountant

Bankers

HSBC Bank plc
60 Queen Victoria Street
London EC4N 4TR

Reliance Bank Limited
Faith House, 23-24 Lovat Lane
London EC3R 8EB

National Westminster Bank
38 Strand
London WC2H 5JB

Solicitors

Slaughter and May
1 Bunhill Row
London EC1Y 8YY

Auditors

Knox Cropper LLP
65 Leadenhall Street
London EC3A 2AD

Investment Manager

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

The Salvation Army is, for administrative purposes, divided into autonomous territories (generally by region or country). Each territory is governed, through local registration(s), in accordance with the applicable local laws and the Scheme works with and through these separate legal entities. However, The Salvation Army remains under the oversight, direction and control of the General of The Salvation Army, as set out in greater detail in The Salvation Army Act 1980.

Connected Entities

The Salvation Army International Trust ('SAIT')

Registered Charity No 1000566
Trust Settlement Deed dated 21 September 1990

SAIT is a separately registered charity that is administered by SAITCo as the trustee. The banking company, Reliance Bank Limited, is a wholly owned subsidiary of SAIT.

SAIT exists to further the work of The Salvation Army, which is to advance the Christian religion and meet human need as and where it occurs throughout the world, and support the work of International Headquarters ('IHQ'). IHQ is responsible for coordinating the international work and overseeing strategy.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME **TRUSTEE'S REPORT**

The Salvation Army in the United Kingdom and the Republic of Ireland

The work of The Salvation Army in the United Kingdom and the Republic of Ireland is directed by the United Kingdom and Ireland Territory, with resources provided through trusts administered by The Salvation Army Trustee Company. The two principal trusts of this territory are The Salvation Army Trust and The Salvation Army Social Work Trust.

Governance

SAITCo utilises a corporate committee structure to supervise operations of the Scheme. This includes operation of a ROAS Investment Committee (exclusively focused on the Scheme portfolio), Audit Committee and Risk Management Committee with significant involvement from the five Independent Non-Executive Directors of SAITCo. The ROAS Investment Committee is chaired by an Independent Non-Executive Director of SAITCo and considers overall strategy for the Scheme on an ongoing basis recognising a range of available actions including adjusting grants, seeking further donations from territories or external donors and adjusting the mandate of the investment manager. The terms of reference for all subsidiary committees and minutes of all meetings of these committees are reviewed by SAITCo Directors on a regular basis with the latest review of terms of reference undertaken in November 2022.

SAITCo has a Serious Incident Reporting Policy and Procedure in place, last reviewed in July 2023, outlining the process to be followed to decide if an incident relating to the Scheme would be appropriate to be reported to the Charity Commission as a serious incident in accordance with the latest regulatory guidance.

A well-established Internal Audit Department also carries out a cycle of reviews of the systems in operation within IHQ and in all countries where The Salvation Army is working and a framework of internal controls and local financial management systems are in place, supported by a manual of International Financial and Accounting Standards ('IFAS') for The Salvation Army issued from IHQ. Salvation Army territories also share findings of locally instructed external audits of territorial operations with IHQ for review and consideration within the internal audit process. The IFAS manual was reviewed and updated during 2022/23, following a comprehensive committee-led drafting process including formal review of consultation materials with 50 Salvation Army territories, with a revised 2023 edition of IFAS issued from IHQ in February 2023 and effective January 2024. A project is also well advanced to roll out cloud-based accounting software to all financially supported territories by 2025/26, enabling more regular and more detailed reporting both within territories and from territories to IHQ, with 22 of the 41 financially supported territories using the software as at November 2023. A new reporting mechanism from all territories to IHQ commenced in 2020/21 and was further developed in 2022/23, based upon the suite of 17 Key Financial Indicators ('KFIs') defined within the IFAS manual, allowing IHQ to be better informed of the financial position in territories as a significant enhancement to internal controls. These structures and initiatives enable ongoing assessment and review of the local use of grants allocated from the Scheme within recipient countries.

An Audit Committee meets on a quarterly basis and comprises four members, including two Independent Non-Executive Directors of SAITCo, with none of the members holding executive responsibility for management of the Scheme. The Committee holds delegated responsibility on behalf of SAITCo for continual review of the financial management and internal controls of the Scheme and holds a direct line of communication to the internal and external auditor.

SAITCo has undertaken a wide ranging and significant governance review in recent years assisted by an external consultant and involving a review of SAITCo membership, structure, interrelationships with other IHQ bodies, performance and effectiveness as well as benchmarking to good governance practice as outlined within the Charity Governance Code. SAITCo already embraces many governance activities outlined within the Code such as conducting board induction and training, managing potential or actual conflicts of interest and regularly reviewing terms of reference for subsidiary boards with opportunity for further development in areas such as board consultation with beneficiaries.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

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A Board Charter for SAITCo was developed during 2019/20 within the governance review process and approved for implementation. The Charter defines the roles, responsibilities and authorities of SAITCo in the effective and efficient functioning of SALT and the Scheme and considers mission objectives, board roles, board procedures, board composition, board committees, board induction and ongoing training, conflicts of interest and board evaluation.

During 2020/21, the Articles of Association of SAITCo were revised and the SAITCo Board Charter further reviewed and updated to embed reforms prompted by the governance review. An operational review of IHQ was also undertaken during 2020/21 with assistance from two consultants and a remit including review of the internal committee structure including the purpose, membership, expectations, outputs, reporting lines, accountability and decision-making thresholds of each board, committee and council. A number of reforms highlighted by the operational review were implemented in 2021/22 and 2022/23 including changes to the operation of subsidiary boards, committees and councils, update of expenditure authority thresholds for financial decision-making and internal staffing reorganisations. Additional work was also undertaken in 2022/23 to review both the risk management protocols and strategic planning processes of SAITCo and to introduce a programme of formal monitoring of Board skills and performance for SAITCo.

A further body of agreed actions is anticipated in 2023/24 with an external consultant engaged by SAITCo to benchmark IHQ practice to the most recent update to the Charity Governance Code, which focuses on the principles of integrity & equality and diversity & inclusion, highlighting opportunities for further development.

Remuneration

The Directors of SAITCo comprise senior Salvation Army officers and Independent Non-Executive Directors with specialist expertise. Taxable allowances and benefits as well as Directors expenses are met from SALT and are not charged to the Scheme.

Modern Slavery Act

The Salvation Army is very active in bringing practical assistance to those whose lives have been affected by the evil of modern slavery and as such is sensitive to the danger of inadvertently finding itself falling short of its own beliefs and standards in this regard as well as the standards set out in the UK Government's Modern Slavery Act 2015. The Modern Slavery Act 2015 compliance statement for SAITCo, last reviewed and updated in November 2022, can be accessed at <http://www.salvationarmy.org/ihq/modernslaveryact2015> and provides details of the variety of measures undertaken by SAITCo to avoid and reduce the risk of inadvertently supporting modern slavery in any way.

Fundraising

Section 162a of the Charities Act 2011, as amended by the Charities Act 2022, requires charities to make a statement regarding fundraising activities. Although the Scheme does not actively undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts receivable are presented in the Accounts as "Other Donations".

In relation to the above, SAITCo confirms that no fundraising activity has been taken by the Scheme, or by anyone acting on its behalf, that no fundraising standards or scheme for fundraising regulation has been subscribed to by the Scheme, or by anyone acting on its behalf, that no complaints in relation to fundraising activities have been received and that any solicitations are managed internally, without involvement of commercial participators or professional fund-raisers.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

TRUSTEE'S REPORT

OBJECTIVES AND ACTIVITIES

Public Benefit

In setting and reviewing the Scheme's aims and objectives and planning future activities, SAITCo pays due regard to the guidance issued by the Charity Commission on public benefit. The main activities of the charity are:

- To relieve the poverty of retired officers of The Salvation Army anywhere in the world by funding provision of retirement allowances.
- To relieve financial hardship amongst elderly retired officers of The Salvation Army anywhere in the world by funding provision of retirement allowances.

The charitable objects are achieved by issuing grants to Salvation Army territories, commands and regions around the world to fund the provision of retirement allowances to officers of The Salvation Army.

During the reporting period, the Scheme was able to cover 100% of the cost of the basic retirement allowances of Salvation Army officers in territories, regions and commands requiring this financial support.

ACHIEVEMENTS AND PERFORMANCE

The Scheme distributed grants to 37 overseas territories during the year with allocated grants totalling £4,725,037 (2022: £3,967,240) providing funding towards the retirement allowances of 3,479 officers of The Salvation Army (2022: 3,394). The following illustrative testimonials have been provided by recipient territories:

Congo (Brazzaville) Territory

"The Congo (Brazzaville) Territory is extremely grateful for the support provided to our retired officers from ROAS grants.

In retirement, officers can face health, financial and other challenges often returning to their home village having served in appointments far away for many years and so are not well known locally and require time to adjust to a new life in retirement. This adjustment has been all the more difficult in the COVID-19 and post pandemic period.

Thanks to ROAS grants, officers are able to maintain their health and buy items such as medical supplies, food, and clothing. The funding stream enables them to live with dignity in their communities without borrowing and they are also able to support local Salvation Army work in various ways even while in retirement.

We extend sincere thanks to ROAS for backing this noble cause and providing vital support."

Philippines Territory

"The Philippines Territory is very grateful for this scheme that covers the cost of basic and long service allowances paid to retired officers and allows the territory to focus its limited resources on other operating requirements knowing funding for retired officers is secured.

It is a comforting assurance to our retired officers that with ROAS they are assured of their monthly allowances no matter what the territory's annual operating results are or will be.

Our retired officers are most grateful for this initiative and the thoughtfulness behind this programme of grants offered to a recognised area of need."

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

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India South Eastern Territory

“The retired officers grants provided by ROAS have had a profound impact on the lives of our retired officers offering a timely support in their old age and helping them not to rely only on children or relatives. The funds have been utilised effectively and transparently to address their diverse needs.

The grants provide financial support to retired officers allowing access of healthcare and avoidance of financial difficulties, enabling them to meet basic needs and maintain a decent standard of living. Some retired officers require housing assistance, and the grant helps them consider affordable housing options and facilitate necessary arrangements.

The ROAS grant programme not only provides financial support but has also created a sense of recognition and appreciation among our retired officers. The initiative has fostered a strong bond between our organisation and its retired personnel, ensuring they feel valued and respected for their years of service.

Looking forward, we will continue to ensure transparency and effective utilisation of the grant funds with a commitment to the well-being and welfare of our retired officers.

Our sincere appreciation goes to the ROAS for its invaluable support.”

South America East Territory

“The support of ROAS is fundamental in Argentina to supplement the minimum state retirement benefits. Without this added support our retired officers would not have a reasonable quality of life and would not be able to cover the cost of medications and other basic needs.

We thank God that in our territory we have many retired officers who are thriving and actively participating in the Army through local corps (churches) and through the Association of Retired Officers and by faithfully praying for the territory.

Once again, thank you very much for the crucial support offered by ROAS”.

Key Statistics

- ☐ The Scheme distributed grants to 37 overseas territories during 2022/23 totalling £4.73 million.
- ☐ Grants have significantly increased in recent years from £1.13 million (2016) to £4.73 million (2023).
- ☐ 3,479 retired officers of The Salvation Army benefitted from the grants distributed during the year.

Future Plans

The longstanding aim of the Scheme has been to build an investment portfolio sufficient to cover up to 100% of the cost of the basic retirement allowances of Salvation Army officers in territories requiring this financial support.

This significant milestone was realised with commencement of grants to cover 100% of the cost of the basic retirement allowances effective from 2016/17, with grants subsequently maintained at this level including for the year under review. Achievement of this keynote objective was only possible due to the strong financial position of the Scheme (see Financial Review below) with the operational impact upon beneficiaries to be continually monitored and assessed in future years.

Going forward, the Scheme will focus upon maintaining total grant funding at a level sufficient to cover 100% of the cost of the basic retirement allowances of Salvation Army officers in territories requiring this financial support, within a sustainable funding model.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

TRUSTEE'S REPORT

The Trustee continues to monitor developments closely in relation to the Russia/Ukraine crisis and other external events and remains confident that the level of reserves held is adequate in the changing economic climate and does not impact adversely on the Scheme's going concern status. The Trustee considers there are no material uncertainties about the charity's ability to continue as a going concern.

SAITCo will continue to actively monitor the impact of the Russia/Ukraine crisis in particular upon the operations of the Scheme as well as those of SAIT and Salvation Army territories with updates provided to the Board considering the impact of the crisis upon global Salvation Army operations, the financial position of the Scheme, the investment portfolio of the Scheme and associated logistical matters.

The Scheme is well placed to meet external events and achieve its focused grant-making objectives due to its strong financial position, investment strategy and reserves policy (see Financial Review below) all underpinned by the governance structures of SAITCo.

FINANCIAL REVIEW

Total income of £3,216,358 (2022: £2,637,581) was received during 2022/23 including contributions from Salvation Army territories totaling £299,951 (2022: £293,204).

The total investment income of £2,916,407 (2022: £2,344,297) received during 2022/23 comprised interest receivable of £136,617 (2022: £16,009), dividends receivable of £1,499,529 (2022: £1,543,056) and income from gilts and bonds of £1,280,261 (2022: £785,232). Total expenditure showed an increase from £4,461,887 (2022) to £5,183,819 (2023) including distributions to recipient territories of £4,725,037 (2022: £3,967,240), cost of raising funds of £452,226 (2022: £488,649) and other costs of £6,556 (2022: £5,998).

Movement in listed investments recorded a net loss of £8,020,370 following a gain of £5,085,889 (2022), reflecting market conditions and representing both the realised and unrealised gains/losses arising on sales and the market value of investments held at year end.

A transfer of £2,000,000 (2022: £2,000,000) was made from expendable endowment funds to unrestricted funds upon instruction from the ROAS Investment Committee in accordance with the Reserves Policy (see below).

The net movement in funds for the year shows a decrease in expendable endowment funds of £10,020,370 and an increase in unrestricted funds of £32,539. Total funds of £122,861,449 were held at year end comprising £120,912,446 in expendable endowment funds and £1,949,003 in unrestricted funds.

Investments

Investments are managed under the terms of an investment management agreement with Sarasin & Partners LLP. The investment manager is required to make investments on behalf of the Scheme in line with benchmarks that have been set and against which performance is measured.

The ROAS Investment Committee which sits to review investment performance receives periodic reports on matters pertinent to its investment policy and this facilitates discussion which, in turn, enhances the committee's understanding of the relationship between its Christian conviction and ethos and investment return; and even more importantly, the positive effect that its policy can have on companies which themselves may (or may not) be seeking to improve conditions in many parts of the world. The reports are tabled at meetings of SAITCo so that those Directors who do not sit on the Investment Committee have an opportunity to add to the debate and have greater understanding of the issues that the Scheme can tackle through its investment policy.

SAITCo has established an ethical investment policy to reflect The Salvation Army's ethical and moral stance. Therefore, this policy excludes investment in companies which derive more than 10% of their revenues in aggregate from any of the following categories:

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
TRUSTEE'S REPORT

- a) the production and/or sale of alcohol
- b) the production and/or sale of tobacco
- c) the manufacture and/or sale of whole weapons, weapon platforms and weapon systems
- d) the manufacture and/or sale of strategic parts for weapon systems
- e) the promotion or operation of gambling enterprises
- f) the provision of adult entertainment services
- g) the publication and/or sale of pornographic media
- h) the extraction of thermal coal or the production of oil from tar sands

For the avoidance of doubt in relation to sub-paragraphs (c) and (d) above, 'weapons' refers to both nuclear and conventional weapons. In addition, investment is excluded in companies with disregard for human rights and/or the pollution of the environment.

Beyond the ethical statement, the investment manager is directed to consider The Salvation Army Act 1980 and to monitor the portfolio to ensure companies held within it adhere to best practice in corporate governance, employment conditions, social responsibility and environmental sustainability. Currencies other than those of OECD countries should be limited to a maximum of 30% of the total portfolio.

The following table gives the long-term ranges and current weightings expressed in percentages of the Scheme investment funds:

Asset Type	Long-term Range	Year End Position
at 31/03/2023		Weightings
Long-dated Global Bonds	15 - 35%	25.3%
Equities	55 - 75%	63.8%
Alternatives	0 - 10%	5.1%
Liquid Assets	0 - 10%	5.8%
Total		100.0%

For the year ended 31 March 2023, the portfolio total return amounted to -3.9% against an ethically adjusted comparator return of -2.5%.

The first three quarters of the year were dominated by higher levels of prevailing inflation and tighter monetary policy, which led to sharp falls across the major asset classes. There were very few hiding places for international, multi-asset investors with only the US dollar and selected alternative investments delivering positive returns over the year as a whole. The only sector to deliver meaningful positive returns within the equity market was oil & gas (not owned), with those companies benefitting from higher commodity prices, prompted by constrained supply and elevated demand. Global equities rebounded in the final quarter of the year thanks to the better outlook for US inflation.

Investment strategy going forward will continue to be closely monitored by the ROAS Investment Committee in consideration of external events and emergent market conditions.

Reserves

The capital funds of the Scheme are held as expendable endowment funds in accordance with the wishes of the donors. The purpose is to invest these funds to generate a sufficient return to fund the grants to overseas territories covering up to 100% of the cost of the basic retirement allowances for retired officers in accordance with long standing objectives.

During 2018/19, the ROAS Investment Committee concluded a consultation with prior donors to the Scheme which

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
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secured their support for use of investment gains as well as investment income to fund the expenditure of ROAS with this enacted via a year end procedure agreed by the Committee with the external auditors and in effect for the year under review. Under this procedure the ROAS Investment Committee assess the forecast year end position, reviews the projected overall surplus/deficit for the current year and the balances carried forward on unrestricted funds and expendable endowment funds, and decides if a transfer from expendable endowment funds to unrestricted funds (use of investment return to fund annual expenditure) is necessary.

Following deliberations, the Committee instructed a transfer of £2,000,000 from expendable endowment funds to unrestricted funds for 2022/23 with a final balance, following processing of the transfer, of £120,912,446 in expendable endowment funds and £1,949,003 in unrestricted funds.

Principal Risks and Uncertainties

SAITCo acknowledges its responsibilities relating to the management of risk. A formal risk management programme continues to operate allowing risks to be identified, classified and prioritised in terms of potential occurrence and impact. The Board of Directors of SAITCo has appointed a Risk Management Committee consisting of ten members, including an Independent Non-Executive Director of SAITCo.

A Risk Manager has been appointed and a Risk Register is maintained and kept under regular review by the Risk Manager and the Risk Management Committee. The Risk Management Committee works with the Risk Owner of each major risk to ensure acceptable action is taken to manage the risk and to establish suitable systems to reduce the likelihood of harmful outcomes occurring and the impact on the organisation should they occur.

In addition to the above framework, a range of additional protocols are in place allowing SAITCo to actively monitor the impact of the Russia/Ukraine crisis upon the operations of the Scheme as well as those of SAIT and Salvation Army territories with working parties undertaking tasks in specific areas and regular updates provided to the board considering the impact of the crisis upon global Salvation Army operations, the financial position of the Scheme, the investment portfolio of the Scheme and associated logistical matters.

Additional work was also undertaken in 2022/23, supported by an external consultant engaged by SAITCo, to review existing risk management protocols and the formatting of the risk register against latest Charity Commission guidance and sectoral best practice, with the Risk Management Committee working towards introduction of a revised and refreshed risk register format in 2023/24 placing additional emphasis upon scoring of inherent and residual risks and analysis of cyber, data protection and environmental risks.

The main risks and uncertainties faced by the Scheme, as detailed in the Risk Register at the end of the financial year under review, are outlined below in top-down priority order together with a summary of the mitigating strategies being pursued to manage these risks:

Key Risk	Mitigating Strategy
Investment risk for ROAS portfolio including but not limited to: inflation risk, shortfall risk, country risk, currency risk, interest rate risk, volatility risk, liquidity risk, manager risk and market risk.	Perpetual review of investment performance and development of risk mitigating strategies by ROAS Investment Committee which includes external experts and is chaired by an Independent Non-Executive Director of SAITCo.
Unexpected demands for ROAS distributions.	Regular submission of budgets and retired officer allowance scales from territories for approval at IHQ Boards. Ongoing review of ROAS distribution levels by ROAS Investment Committee and SAITCo.

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Deficient financial administration of ROAS grants in territories.	Continuous IHQ monitoring of global operations on a territory-by-territory basis. A suite of policies and procedures in place to manage operational risks. Annual external audits of territories with internal audits also undertaken periodically depending on the extent of perceived risk.
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Statement of Trustee's Responsibilities

SAITCo is required to prepare an annual report and financial statements in order to discharge its duty of public accountability and stewardship. This report must give a true and fair view of the Scheme's affairs and its incoming resources and resources expended. In so doing SAITCo is required to account for all money and other assets which have been entrusted to the Scheme for whatever purpose. It is the responsibility of SAITCo to safeguard the assets of the Scheme and take all reasonable steps to prevent fraud and other irregularities.

SAITCo is responsible for ensuring that the assets of the Scheme are employed solely in furthering the objects as set out in the Declaration of Trust.

SAITCo is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Scheme. The financial statements are required to be prepared in accordance with the Statement of Recommended Practice (FRS 102 second edition) (effective 1 January 2019). In preparing the financial statements, SAITCo is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue to operate.

For and on behalf of the Directors of The Salvation Army International Trustee Company.



Dr Matthew Carpenter *BA, MBA, DBA, MCMI*
Company Secretary

17 November 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEE
OF THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

Opinion

We have audited the financial statements of The Salvation Army Retired Officers Allowance Scheme (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows 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 charity's affairs as at 31 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis of opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the Trustee's Responsibilities Statement set out on page 10, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act 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.

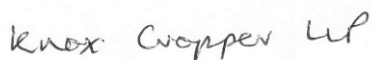
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting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

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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

Use of the audit report

This report is made solely to the charity's trustee in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the charity's trustee those matters we are required to state to the trustee in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustee for our audit work, for this report or for the opinions we have formed.



Knox Cropper LLP
Statutory Auditor
65 Leadenhall Street
London EC3A 2AD

17 November 2023

Knox Cropper LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 MARCH 2023

		2023			2022		
	Notes	Unrestricted Funds £	Expendable Endowment Funds £	Total £	Unrestricted Funds £	Expendable Endowment Funds £	Total £
INCOME AND ENDOWMENTS FROM							
Voluntary Income	2						
Received from Salvation Army Territories		299,951	299,951	293,204	293,204	-	293,204
Other Donations		-	-	-	80	-	80
		299,951	-	299,951	293,284	-	293,284
Investments	3	2,916,407	-	2,916,407	2,344,297	-	2,344,297
Total Income		3,216,358	-	3,216,358	2,637,581	-	2,637,581
EXPENDITURE ON							
Raising Funds	4	452,226	-	452,226	488,649	-	488,649
Charitable Activities	5	4,731,593	-	4,731,593	3,973,238	-	3,973,238
Total Expenditure		5,183,819	-	5,183,819	4,461,887	-	4,461,887
Net Gains/(Losses) on Investments	9(b)	-	(8,020,370)	(8,020,370)	-	5,085,889	5,085,889
Net Income/(Expenditure)		(1,967,461)	(8,020,370)	(9,987,831)	(1,824,306)	5,085,889	3,261,583
Transfers between Funds	12	2,000,000	(2,000,000)	-	2,000,000	(2,000,000)	-
Other Recognised Gains/(Losses)							
Other Gains/(Losses)		-	-	-	-	-	-
Net Movement in Funds		32,539	(10,020,370)	(9,987,831)	175,694	3,085,889	3,261,583
Reconciliation of Funds							
Total Funds Brought Forward 1 April 2022		1,916,464	130,932,816	132,849,280	1,740,770	127,846,927	129,587,697
Total Funds Carried Forward 31 March 2023		1,949,003	120,912,446	122,861,449	1,916,464	130,932,816	132,849,280

All activities reported above, in both the current and preceding year, relate to continuing activities.

The notes on pages 17 to 23 form an integral part of these Financial Statements.

**THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
BALANCE SHEET
AS AT 31 MARCH 2023**

	Notes	2023 £	2022 £
FIXED ASSETS			
Investments	9	111,622,205	121,387,831
		<u>111,622,205</u>	<u>121,387,831</u>
CURRENT ASSETS			
Investments	9	6,925,052	7,212,605
Debtors and Prepayments	10	845,784	661,133
Bank and Cash		6,122,291	5,276,293
		<u>13,893,127</u>	<u>13,150,031</u>
Current Liabilities: Amounts falling due within one year	11	(2,653,883)	(1,688,582)
NET CURRENT ASSETS		<u>11,239,244</u>	<u>11,461,449</u>
NET ASSETS	13	<u>122,861,449</u>	<u>132,849,280</u>
FUNDS			
Unrestricted Funds		1,949,003	1,916,464
Expendable Endowment Funds		120,912,446	130,932,816
TOTAL FUNDS	12	<u>122,861,449</u>	<u>132,849,280</u>

Approved on behalf of The Salvation Army International Trustee Company on 17 November 2023 by:

Edward Hill

Edward Hill - Chairman

[Signature]

Garth Niemand - Managing Director

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2023

	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES	<u>(1,186,812)</u>	<u>(1,528,065)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(43,420,393)	(44,751,941)
Sales Proceeds from Investment Sales	<u>45,165,649</u>	<u>50,598,924</u>
	<u>1,745,256</u>	<u>5,846,983</u>
Change in Cash and Cash Equivalents during the year	558,444	4,318,918
Cash and Cash Equivalents at start of the year	<u>12,488,899</u>	<u>8,169,980</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>13,047,343</u>	<u>12,488,898</u>
 Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities		
Net Movement in Funds	(9,987,831)	3,261,583
Adjustments for:		
Net (Gains)/Losses on Investments	8,020,370	(5,085,889)
(Increase)/Decrease in Debtors	(184,651)	(52,955)
Increase/(Decrease) in Creditors	<u>965,301</u>	<u>349,196</u>
Net Cash Provided by Operating Activities	<u>(1,186,811)</u>	<u>(1,528,065)</u>
 Analysis of Cash and Cash Equivalents		
Deposits Held by Investment Manager	6,656,377	6,956,480
Cash Held by Investment Manager	268,675	256,125
Cash at Bank	<u>6,122,291</u>	<u>5,276,293</u>
Total Cash and Cash Equivalents	<u>13,047,343</u>	<u>12,488,898</u>

**THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2023**

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out as follows:

(a) Basis of Accounting

The accounts have been prepared under the historical cost convention, subject to the inclusion of investments at market value, and are in compliance with the Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102 second edition) (effective 1 January 2019), the Charities Act 2011, The Salvation Army Act 1980 and FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The charity is a public benefit entity as defined by FRS 102.

- (b) Voluntary Income** – Contributions receivable from Salvation Army Territories are accounted for when remitted by the Territories to the Scheme, including contributions held by the Salvation Army International Trust on behalf of the Scheme. One exception to this is income receivable from the Canada and Bermuda Territory, which is invoiced and recognised on an accruals basis as an additional processing arrangement is in place for this territory.

Other income is recognised when all conditions of receipt are met.

- (c) Investment Income** is accounted for on an accruals basis.

- (d) Other Income** is accounted for on an accruals basis.

- (e) Grants Payable** are accounted for on the basis of approved claims received during the financial year from overseas territories with any outstanding claims accrued.

- (f) Other Expenditure** is accounted for on an accruals basis.

- (g) Going Concern** – The trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern. The trustee has reviewed the schemes financial position, considering cash levels and reserves to continue in the foreseeable future. It is at the discretion of the trustee to determine what contributions can be made to fund retirement allowances and if required these contributions could be decreased to continue as a going concern.

- (h) Expendable Endowment** funds represent donations received over a number of years of which the income earned is used to fund retirement allowances. The capital of the fund can be transferred to unrestricted funds, as and when necessary, to enable the payments to continue when earned income is insufficient.

- (i) Foreign exchange** transactions are recorded at the rate of exchange prevailing at the quarter end date to which the grant relates. All gains and losses on exchange are included in the Statement of Financial Activities.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2023

2. INCOMING RESOURCES

Contributions were received during the period from the following Salvation Army Territories and other donors.

	Unrestricted Contributions	2023	2022
	£	£	£
Canada and Bermuda	299,951	299,951	293,204
Other	-	-	80
	<u>299,951</u>	<u>299,951</u>	<u>293,284</u>

3. INVESTMENT INCOME

	2023	2022
	£	£
Interest Receivable	136,617	16,009
Dividends Receivable	1,499,529	1,543,056
Income from Gilts and Bonds	1,280,261	785,232
	<u>2,916,407</u>	<u>2,344,297</u>

4. COST OF RAISING FUNDS

	2023	2022
	£	£
Investment Management Costs	452,226	488,649
	<u>452,226</u>	<u>488,649</u>

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2023

5. CHARITABLE EXPENDITURE

The following grants have been made during the period:

	2023	2022
	£	£
GRANTS		
Angola	10,140	6,528
Bangladesh	3,313	3,030
Brazil	73,090	70,400
Caribbean	323,903	230,693
Congo (Brazzaville)	113,769	94,515
Democratic Republic of Congo	156,396	120,877
Eastern Europe	20,362	17,777
Ghana	64,504	72,253
India Central	241,595	228,748
India Eastern	126,598	107,683
India Northern	129,361	114,277
India South Eastern	339,582	287,153
Indian South Western	425,657	372,634
India Western	254,459	225,546
Indonesia	178,979	169,142
Kenya East	129,654	95,834
Kenya West	393,283	329,021
Latin America North	81,394	75,215
Liberia and Sierra Leone	8,433	5,759
Malawi	7,881	9,458
Mexico	179,939	114,431
Mozambique	3,453	2,555
Nigeria	124,981	95,346
Pakistan	65,114	72,930
Papua New Guinea and Solomon Islands	64,472	48,109
Philippines	91,715	81,130
Russia	36,585	21,099
Singapore, Malaysia and Myanmar	21,887	22,026
South America East	168,596	118,904
South America West	414,919	329,948
Southern Africa	230,871	232,232
Sri Lanka	34,779	34,797
Taiwan	25,661	20,826
Tanzania	5,962	4,032
Uganda	24,353	14,818
Zambia	60,540	50,787
Zimbabwe and Botswana	88,855	66,727
	<u>4,725,037</u>	<u>3,967,240</u>
OTHER EXPENDITURE		
Bank Charges	76	58
Audit Fees	6,480	5,940
	<u>4,731,593</u>	<u>3,973,238</u>

The above grants represent transfers made to overseas Salvation Army Territories to help fund the provision of allowances payable to retired Salvation Army Officers.

**THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2023**

6. TRUSTEES

Remuneration & Expenses

The directors of the Salvation Army International Trustee Company, the trustees, comprise senior Salvation Army officers and non-executive directors with specialist expertise. Taxable allowances and benefits, as well as trustee expenses are borne by the Salvation Army International Trust.

The non-executive directors did not receive any remuneration for their services.

7. AUDIT COSTS

The amount payable to the auditors for the audit of these financial statements amounts to £5,400 (2022: £4,950) excluding VAT.

8. TAXATION

As a registered charity, the Scheme is entitled to tax exemptions from tax available to charities on its income and gains.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2023

9. INVESTMENTS

	Market Value 2023 £	Cost 2023 £	Market Value 2022 £	Cost 2022 £
(a) Listed Investments				
Bonds				
Government Bonds	3,421,053	4,288,165	1,745,795	1,741,114
Non-Government Bonds	26,287,747	30,034,396	22,551,043	24,602,517
	<u>29,708,800</u>	<u>34,322,561</u>	<u>24,296,838</u>	<u>26,343,631</u>
Equities				
UK Equities	14,198,001	14,413,189	13,250,424	12,700,344
Asian Equities	11,267,806	9,934,576	9,299,294	8,831,937
European Equities	9,100,931	7,432,759	15,261,265	13,724,878
North America Equities	44,884,888	37,950,816	53,955,884	37,066,414
Multi Regional Equities	2,461,779	2,718,287	5,324,126	4,871,242
	<u>81,913,405</u>	<u>72,449,627</u>	<u>97,090,993</u>	<u>77,194,815</u>
Fixed Asset -Investments (See note 9(b))	<u>111,622,205</u>	<u>106,772,188</u>	<u>121,387,831</u>	<u>103,538,446</u>
Deposits				
Sterling Deposits managed by Sarasins	6,656,377	6,656,377	6,956,480	6,956,480
Cash held with Broker	268,675	268,675	256,125	256,125
	<u>6,925,052</u>	<u>6,925,052</u>	<u>7,212,605</u>	<u>7,212,605</u>
Total Investments	<u>118,547,257</u>	<u>113,697,240</u>	<u>128,600,436</u>	<u>110,751,051</u>
(b) Movement in Listed Investments				
Market Value at 1 April 2022	121,387,831		122,148,925	
Purchases in year	43,420,393		44,751,941	
Sales Proceeds	(45,165,649)		(50,598,924)	
Net Gains/(Losses) – Listed Investments	(8,020,370)		5,085,889	
Market Value at 31 March 2023	<u>111,622,205</u>		<u>121,387,831</u>	

10. DEBTORS

	2023 £	2022 £
Accrued Interest and Dividends	545,833	367,929
Funds Receivable from Territories	<u>299,951</u>	<u>293,204</u>
	<u>845,784</u>	<u>661,133</u>

11. CREDITORS

	2023 £	2022 £
Amounts owed to The Salvation Army International Trust	1,169,595	71,078
Accruals	117,639	123,304
Grants Payable	<u>1,366,650</u>	<u>1,494,200</u>
	<u>2,653,883</u>	<u>1,688,582</u>

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2023

12. FUNDS

	Brought Forward 01/04/2022	Income	Expenditure	Gains and (Losses)	Transfers Between Funds	Carried Forward 31/03/2023
	£	£	£	£		£
Unrestricted Funds	1,916,464	3,216,358	(5,183,819)	-	2,000,000	1,949,003
Expendable Endowment Funds	130,932,816	-	-	(8,020,370)	(2,000,000)	120,912,446
Total	132,849,280	3,216,358	(5,183,819)	(8,020,370)	-	122,861,449

The transfer between funds was agreed by the Trustees to ensure adequate unrestricted funds to pay existing and future creditors.

	Brought Forward 01/04/2021	Income	Expenditure	Gains and (Losses)	Transfers Between Funds	Carried Forward 31/03/2022
	£	£	£	£		£
Unrestricted Funds	1,740,770	2,637,581	(4,461,887)	-	2,000,000	1,916,464
Expendable Endowment Funds	127,846,927	-	-	5,085,889	(2,000,000)	130,932,816
Total	129,587,697	2,637,581	(4,461,887)	25,952,713	-	132,849,280

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2023	Expendable Endowments 2023	Total Funds 2023
	£	£	£
Fixed Asset Investments	-	111,622,205	111,622,205
Net Current Assets	1,949,003	9,290,241	11,239,244
	1,949,003	120,912,446	122,861,449

	Unrestricted Funds 2022	Expendable Endowments 2022	Total Funds 2022
	£	£	£
Fixed Asset Investments	-	121,387,831	121,387,831
Net Current Assets	1,916,464	9,544,985	11,461,449
	1,916,464	130,932,816	132,849,280

**THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2023**

14. RELATED PARTIES: TRANSACTIONS WITH CONNECTED TRUSTS

The Salvation Army International Trust is a connected trust and both Trusts have the same Trustee. Officers and Employees of the Salvation Army International Trust provide management services to the scheme which are not recharged. The Retired Officers Allowance Scheme holds a current account and deposit accounts with Reliance Bank Limited which is owned solely by The Salvation Army International Trust. Balances held at the year end at Reliance Bank Limited amounted to £6.12m (2022: £5.28m).

Grants payable to overseas Salvation Army territories are set out in note 5 and grants receivable from overseas Salvation Army territories are set out in note 2. Each territory is governed through local registration(s) and separate legal entities. However, The Salvation Army remains under the oversight, direction and control of the General of The Salvation Army, as set out in greater detail in The Salvation Army Act 1980.

There were no other related party transactions.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

England & Wales - Charity number 1153681

Accounts

The Salvation Army Retired Officers Allowance Scheme

**9th Report and Accounts for
the year ended 31 March 2022**



THE SALVATION ARMY
International Headquarters
101 Queen Victoria Street
London EC4V 4EH

MISSION STATEMENT

International Headquarters exists to support the General as he/she leads The Salvation Army to accomplish its God-given worldwide mission to preach the gospel of Jesus Christ and meet human needs in his name without discrimination.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
TRUSTEE'S REPORT

The Trustee is pleased to present the annual report for The Salvation Army Retired Officers Allowance Scheme for the year ended 31 March 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The General, acting under powers contained in The Salvation Army Act 1980, established The Salvation Army International Trust ('SAIT') to further the worldwide work of The Salvation Army. The Salvation Army International Trustee Company ('SAITCo'), a company limited by guarantee, was formed and appointed as the ordinary Trustee of the International Trust.

The Salvation Army Retired Officers Allowance Scheme (referred to as 'the Scheme' or 'ROAS') is a separately registered charity that is administered by SAITCo as the trustee. The directors of SAITCo are thus effectively the trustees of both SAIT and the Scheme.

The Salvation Army International Trustee Company – Ordinary Trustee

Company Registration No 2538134

The Salvation Army International Trust

Registered Charity No 1000566

Trust Settlement Deed dated 21 September 1990

The Salvation Army Retired Officers Allowance Scheme

Registered Charity 1153681

Declaration of Trust dated 13 December 2012

The General of The Salvation Army, as founder of SAIT and the Scheme, specifies the qualifying offices and the experts for SAITCo. Qualifying offices are such offices of The Salvation Army as the General may from time to time specify by notice to SAITCo and experts are persons who satisfy such conditions and/or who have such qualifications or expertise as the General may from time to time specify by notice to SAITCo. Both the qualifying offices' holders and the experts make application for membership of SAITCo with consent to become Directors and are accepted by the Board of Directors of SAITCo. All new directors follow teaching modules prepared specifically for The Salvation Army on its constitution and the duties and responsibilities of directors. In addition individual directors follow external courses.

Directors

Commissioner Birgitte Brekke-Clifton <i>SRN</i>	from 1 March 2013 to 30 June 2021
Commissioner Lyndon Buckingham	from 3 August 2018
Commissioner Keith Conrad	from 1 August 2019
Commissioner Lee Graves <i>MBA</i>	from 1 November 2020
Commissioner Edward Hill <i>MDiv, MACE</i>	from 1 May 2021
Commissioner Debbie Horwood	from 1 July 2021
Commissioner Eva Kleman	from 1 November 2020
Commissioner Robyn Maxwell	from 1 November 2020
Commissioner Suresh Pawar	from 12 November 2020
Commissioner Mark Tillsley <i>BA, MSc, PhD</i>	from 11 May 2018 to 30 April 2021
Lieut-Colonel Russell Malcolm <i>BCom, DipApTh, MBA, CAANZ CA</i>	from 1 February 2022
Dr Matthew Carpenter <i>BA, MBA, DBA, MCM</i>	from 1 July 2014 to 31 January 2022
Ms Elizabeth Edwards <i>BSc (Hons), FRICS</i>	from 1 May 2013 to 30 April 2022
Mr Robin Foale	from 1 May 2019
Mr James Gardner <i>MA</i>	from 1 May 2022
Mr Mark Goodale <i>BA, FIA</i>	from 1 May 2019
Mr Peter King <i>Solicitor, MA</i>	from 1 May 2013 to 30 April 2022
Mr Robert Lister	from 1 January 2016
Mr Tim Sketchley <i>BA, MA (Cantab), FRICS</i>	from 1 May 2022

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
TRUSTEE'S REPORT

Audit Committee Members

Ms Rosie Bichard *GCB.D, CFA* (Chair)
Ms Elizabeth Edwards BSc (*Hons*), *FRICS*
Mr Mark Goodale *BA, FIA*
Mr Tim Sketchley *BA, MA (Cantab), FRICS*
Mr Andrew Stickland *BA(Hons), FCA*

Principal Officers

Commissioner Lee Graves *MBA*
Dr Matthew Carpenter *BA, MBA, DBA, MCM*
Dr Matthew Carpenter *BA, MBA, DBA, MCM*
Lieut-Colonel Russell Malcolm *BCom, DipApTh, MBA, CAANZ CA*
Mr Kaloan Belito *BA, DchA, MSc, FCCA*

Managing Director
Company Secretary
Head of Finance to 31 January 2022
Head of Finance from 1 February 2022
Chief Accountant

Bankers

HSBC Bank plc
60 Queen Victoria Street
London EC4N 4TR

Reliance Bank Limited
Faith House, 23-24 Lovat Lane
London EC3R 8EB

National Westminster Bank
38 Strand
London WC2H 5JB

Solicitors

Slaughter and May
1 Bunhill Row
London EC1Y 8YY

Auditors

Knox Cropper LLP
65 Leadenhall Street
London EC3A 2AD

Investment Manager

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

Related Party Entities

The Salvation Army is, for administrative purposes, divided into autonomous territories (generally by region or country). Each territory is governed, through local registration(s), in accordance with the applicable local laws and the Scheme works with and through these separate legal entities. However, The Salvation Army remains under the oversight, direction and control of the General of The Salvation Army, as set out in greater detail in The Salvation Army Act 1980.

The Salvation Army International Trust ('SAIT')

Registered Charity No 1000566
Trust Settlement Deed dated 21 September 1990

SAIT is a separately registered charity that is administered by SAITCo as the trustee. The banking company, Reliance Bank Limited, is a wholly owned subsidiary of SAIT.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

TRUSTEE'S REPORT

SAIT exists to further the work of The Salvation Army, which is to advance the Christian religion and meet human need as and where it occurs throughout the world, and support the work of International Headquarters ('IHQ'). IHQ is responsible for coordinating the international work and overseeing strategy.

The Salvation Army in the United Kingdom and the Republic of Ireland

The work of The Salvation Army in the United Kingdom and the Republic of Ireland is directed by the United Kingdom and Ireland Territory, with resources provided through trusts administered by The Salvation Army Trustee Company. The two principal trusts of this territory are The Salvation Army Trust and The Salvation Army Social Work Trust.

Governance

SAITCo utilises a corporate committee structure to supervise operations of the Scheme. This includes operation of a ROAS Investment Committee (exclusively focused on the Scheme portfolio), Audit Committee and Risk Management Committee with significant involvement from the five Independent Non-Executive Directors of SAITCo. The ROAS Investment Committee is chaired by an Independent Non-Executive Director of SAITCo and considers overall strategy for the Scheme on an ongoing basis recognising a range of available actions including adjusting grants, seeking further donations from territories or external donors and adjusting the mandate of the investment manager. The terms of reference for all subsidiary committees and minutes of all meetings of these committees are reviewed by SAITCo Directors on a regular basis with the latest review of terms of reference undertaken in July 2021.

SAITCo has a Serious Incident Reporting Policy and Procedure in place, reviewed in July 2022, outlining the process followed to decide if an incident relating to the Scheme would be appropriate to be reported to the Charity Commission as a serious incident in accordance with the latest regulatory guidance.

A well-established Internal Audit Department also carries out a cycle of reviews of the systems in operation within IHQ and in all countries where The Salvation Army is working and a sound framework of internal controls and strong financial management systems are in place, supported by a manual of International Financial and Accounting Standards ('IFAS') for The Salvation Army issued from IHQ. Salvation Army territories also share findings of locally instructed external audits of territorial operations with IHQ for review and consideration within the internal audit process. A project is also well advanced to roll out cloud-based accounting software to all financially supported territories to enable more regular and more detailed reporting of Key Financial Indicators ('KFIs') from territories to IHQ. A new reporting mechanism from territories to IHQ commenced in 2020/21 and remains in place, based upon the suite of 17 KFIs defined within the IFAS manual, allowing IHQ to be better informed of the financial position in territories. These structures and initiatives enable ongoing assessment and review of the local use of grants allocated from the Scheme within recipient countries.

An Audit Committee meets on a quarterly basis and comprises five members, including two Independent Non-Executive Directors of SAITCo, with none of the members holding executive responsibility for management of the Scheme. The Committee holds delegated responsibility on behalf of SAITCo for continual review of the financial management and internal controls of the Scheme and holds a direct line of communication to the external auditor.

SAITCo has undertaken a wide ranging and significant governance review in recent years assisted by an external consultant and involving a review of SAITCo membership, structure, interrelationships with other IHQ bodies, performance and effectiveness as well as benchmarking to good governance practice as outlined within the Charity Governance Code. SAITCo already embraces many governance activities outlined within the Code such as conducting board induction and training, managing potential or actual conflicts of interest and regularly reviewing terms of reference for subsidiary boards with opportunity for further development in areas such as formal monitoring of Board skills and performance.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

TRUSTEE'S REPORT

A Board Charter for SAITCo was developed during 2019/20 within the governance review process and approved for implementation. The Charter defines the roles, responsibilities and authorities of SAITCo in the effective and efficient functioning of SAIT and the Scheme and considers mission objectives, board roles, board procedures, board composition, board committees, board induction and ongoing training, conflicts of interest and board evaluation.

During 2020/21, the Articles of Association of SAITCo were revised and the SAITCo Board Charter further reviewed and updated to embed reforms prompted by the governance review. An operational review of IHQ was also undertaken during 2020/21 with assistance from two consultants and a remit including review of the internal committee structure including the purpose, membership, expectations, outputs, reporting lines, accountability and decision-making thresholds of each board, committee and council. A number of reforms highlighted by the operational review were implemented during 2021/22 including changes to the operation of subsidiary boards, committees and councils, update of expenditure authority thresholds for financial decision-making and internal staffing reorganisations.

A further body of agreed actions is anticipated in 2022/23, prompted by the governance review, with a particular focus on reforms to risk management protocols and the strategic planning process.

Remuneration

The Directors of SAITCo comprise senior Salvation Army officers and Independent Non-Executive Directors with specialist expertise. Taxable allowances and benefits as well as Directors expenses are met from SAIT and are not charged to the Scheme.

Modern Slavery Act

The Salvation Army is very active in bringing practical assistance to those whose lives have been affected by the evil of modern slavery and as such is sensitive to the danger of inadvertently finding itself falling short of its own beliefs and standards in this regard as well as the standards set out in the UK Government's Modern Slavery Act 2015. The Modern Slavery Act 2015 compliance statement for SAITCo, reviewed and updated in November 2021, can be accessed at <http://www.salvationarmy.org/ihq/modernslaveryact2015> and provides details of the variety of measures undertaken by SAITCo to avoid and reduce the risk of inadvertently supporting modern slavery in any way.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although the Scheme does not actively undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts receivable are presented in the Accounts as "Other Donations".

In relation to the above, SAITCo confirms that no fundraising activity has been taken by the Scheme, or by anyone acting on its behalf, that no fundraising standards or scheme for fundraising regulation has been subscribed to by the Scheme, or by anyone acting on its behalf, that no complaints in relation to fundraising activities have been received and that any solicitations are managed internally, without involvement of commercial participators or professional fund-raisers.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
TRUSTEE'S REPORT

OBJECTIVES AND ACTIVITIES

Public Benefit

In setting and reviewing the Scheme's aims and objectives and planning future activities, SAITCo pays due regard to the guidance issued by the Charity Commission on public benefit. The main activities of the charity are:

- To relieve the poverty of retired officers of The Salvation Army anywhere in the world by funding provision of retirement allowances.
- To relieve financial hardship amongst elderly retired officers of The Salvation Army anywhere in the world by funding provision of retirement allowances.

The charitable objects are achieved by issuing grants to Salvation Army territories, commands and regions around the world to fund the provision of retirement allowances to officers of The Salvation Army.

During the reporting period, the Scheme was able to cover 100% of the cost of the basic retirement allowances of Salvation Army officers in territories, regions and commands requiring this financial support.

ACHIEVEMENTS AND PERFORMANCE

The Scheme distributed grants to 37 overseas territories during the year with allocated grants totalling £3,967,240 (2021: £3,855,581) providing funding towards the retirement allowances of 3,394 officers of The Salvation Army (2021: 3,170). The following illustrative testimonials have been provided by recipient territories:

Sri Lanka Territory

"The Sri Lanka Territory is extremely grateful for the support offered to meet retired officer costs through ROAS grants. The territory faces significant challenges in generating local income, especially as we exit the COVID-19 pandemic, and ROAS grants allow us to manage and meet the needs of retired officers.

Most of our retired officers are wholly dependent on the income from their retirement allowance. The rising cost of living and the economic problems of the island, together with their own living and medical expenses, make these days extremely challenging for every retired officer. The ability to support them on a regular basis and without disruption, is crucial for their wellbeing in these years. There is no doubt that the territory would battle to regularly meet these commitments without the support received through ROAS grants.

'Ayubowan' is a Sri Lankan greeting and also a wish to the recipient of a long life. Our wish is for a 'long life' for each retired officer, as the territory continues to support and look after them – ROAS makes this possible."

Kenya West Territory

"Our territory has a total of 240 retired officers who benefit greatly from ROAS grants. The majority of our retired officers depend solely on their monthly retired officer allowance and have no other source of income for daily upkeep.

The COVID-19 pandemic significantly affected the country's economy during 2021/22 leading to a very high cost of living impacting all citizens of Kenya including our retired officers.

There is limited government provision for older citizens and our retired officers face many medical and cost of living challenges however, with the assistance of ROAS grants, they are able to make ends meet. The territory is sincerely grateful for the vital support of ROAS."

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

TRUSTEE'S REPORT

South America West Territory

"The South America West Territory includes Chile, Bolivia, Peru and Ecuador and has 104 retired officers with 82 located in Chile, 18 in Bolivia and 4 in Peru.

Without the support provided by ROAS it would not be possible for the territory to provide financial security to our retired officers who receive only a small government pension. ROAS grants allow all the basic needs of retired officers to be covered allowing them to live with a certainty of a secure income stream.

Our retired officers have a heartfelt gratitude to ROAS for the grants that ensure them a dignified old age. Our territory also is extremely grateful for this important support and for ensuring the future of our retired officers who can retire with dignity.

Once again, thank you very much for all the support offered by ROAS."

Indonesia Territory

"The retired officers of Indonesia Territory are extremely grateful for the help offered by ROAS. The grants received from ROAS provide their entire retired officer allowance, as there is no government pension available.

Most of our retired officers live extremely simply. The majority return to their home villages when they retire, where they may have a family plot of land or relatives who might help them. Despite this very basic lifestyle, our retired colleagues are enthusiastic encouragers. From their retirement allowance, they support their local Salvation Army church generously, help their colleagues living in care homes and sacrificially sponsor Salvation Army officer cadets in the training college.

The grant from the ROAS scheme is not taken for granted but appreciated as a gift – for which the retired officers express their sincere gratitude to ROAS."

India South Western Territory

"The India South Western Territory has 345 retired officers and would not be in a position to provide any allowance or support to retired officers without ROAS grants.

The cost of living in Kerala is very high and many retired officers face financial struggles with limited government support available to provide adequate facilities for people with limited income. Most retired officers in the territory live in rental accommodation and are fully dependent upon their retired officer's allowance with no other income source. Many of the officers are sick and require regular medicines while receiving no government pension, health care support or social welfare. In this situation, the ROAS grants provide a great support to territory as well as each retired officer. The ROAS grant gives hope and strength and we extend sincere thanks for this vital support."

Key Statistics

- ☐ The Scheme distributed grants to 37 overseas territories during 2021/22 totalling £3.97 million.
- ☐ Grants have significantly increased in recent years from £1.13 million (2016) to £3.97 million (2022).
- ☐ 3,394 retired officers of The Salvation Army benefitted from the grants distributed during the year.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

TRUSTEE'S REPORT

Future Plans

The longstanding aim of the Scheme has been to build an investment portfolio sufficient to cover up to 100% of the cost of the basic retirement allowances of Salvation Army officers in territories requiring this financial support.

This significant milestone was realised with commencement of grants to cover 100% of the cost of the basic retirement allowances effective from 2016/17, with grants subsequently maintained at this level including for the year under review. Achievement of this keynote objective was only possible due to the strong financial position of the Scheme (see Financial Review below) with the operational impact upon beneficiaries to be continually monitored and assessed in future years.

Going forward, the Scheme will focus upon maintaining total grant funding at a level sufficient to cover 100% of the cost of the basic retirement allowances of Salvation Army officers in territories requiring this financial support, within a sustainable funding model.

The Trustee continues to monitor developments closely in relation to the COVID-19 crisis, Russia/Ukraine crisis and other external events and remains confident that the level of reserves held is adequate in the changing economic climate and does not impact adversely on the Scheme's going concern status.

SAITCo will continue to actively monitor the impact of the COVID-19 crisis and Russia/Ukraine crisis in particular upon the operations of the Scheme as well as those of SAIT and Salvation Army territories with updates provided to the Board considering the impact of the crises upon global Salvation Army operations, the financial position of the Scheme, the investment portfolio of the Scheme and associated logistical matters.

The Scheme is well placed to meet these crises and achieve its focused grant-making objectives due to its strong financial position, investment strategy and reserves policy (see Financial Review below) all underpinned by the governance structures of SAITCo.

FINANCIAL REVIEW

Total income of £2,637,581 (2021: £2,388,826) was received during 2021/22 including contributions from Salvation Army territories totalling £293,204 (2021: £284,832) and other donations of £80 (2021: £919).

The total investment income of £2,344,297 (2021: £2,103,075) received during 2021/22 comprised interest receivable of £16,009 (2021: £13,009), dividends receivable of £1,543,056 (2021: £1,108,428) and income from gilts and bonds of £785,232 (2021: £981,638). Total expenditure showed only a small increase from £4,313,054 (2021) to £4,461,887 (2022) including distributions to recipient territories of £3,967,240 (2021: £3,855,581), cost of raising funds of £488,649 (2021: £451,799) and other costs of £5,998 (2021: £5,674).

Movement in listed investments recorded a reasonable net gain of £5,085,889 following a gain of £25,952,713 (2021), reflecting market conditions and representing both the realised and unrealised gains/losses arising on sales and the market value of investments held at year end.

A transfer of £2,000,000 (2021: £2,000,000) was made from expendable endowment funds to unrestricted funds upon instruction from the ROAS Investment Committee in accordance with the Reserves Policy (see below).

The net movement in funds for the year shows increases in expendable endowment funds of £3,085,889 and unrestricted funds of £175,694. Total funds of £132,849,280 were held at year end comprising £130,932,816 in expendable endowment funds and £1,916,464 in unrestricted funds.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
TRUSTEE'S REPORT

Investments

Investments are managed under the terms of an investment management agreement with Sarasin & Partners LLP. The investment manager is required to make investments on behalf of the Scheme in line with benchmarks that have been set and against which performance is measured.

The ROAS Investment Committee which sits to review investment performance receives periodic reports on matters pertinent to its investment policy and this facilitates discussion which, in turn, enhances the committees understanding of the relationship between its Christian conviction and ethos and investment return; and even more importantly, the positive effect that its policy can have on companies which themselves may (or may not) be seeking to improve conditions in many parts of the world. The reports are tabled at meetings of SAITCo so that those Directors who do not sit on the Investment Committee have an opportunity to add to the debate and have greater understanding of the issues that the Scheme can tackle through its investment policy.

SAITCo has established an ethical investment policy to reflect The Salvation Army's ethical and moral stance. Therefore, this policy excludes investment in companies which derive more than 10% of their revenues in aggregate from any of the following categories:

- a) the production and/or sale of alcohol
- b) the production and/or sale of tobacco
- c) the manufacture and/or sale of whole weapons, weapon platforms and weapon systems
- d) the manufacture and/or sale of strategic parts for weapon systems
- e) the promotion or operation of gambling enterprises
- f) the provision of adult entertainment services
- g) the publication and/or sale of pornographic media
- h) the extraction of thermal coal or the production of oil from tar sands

For the avoidance of doubt in relation to sub-paragraphs (c) and (d) above, 'weapons' refers to both nuclear and conventional weapons. In addition, investment is excluded in companies with disregard for human rights and/or the pollution of the environment.

Beyond the ethical statement, the investment manager is directed to take into account The Salvation Army Act 1980 and to monitor the portfolio to ensure companies held within it adhere to best practice in corporate governance, employment conditions, social responsibility and environmental sustainability.

The following table gives the long-term ranges and current weightings expressed in percentages of the Scheme investment funds:

Asset Type	Long-term Range	Year End Position
at 31/03/2022		Weightings
Long-dated Global Bonds	15 - 35%	19.1%
Equities	55 - 75%	65.6%
Alternatives	0 - 10%	9.8%
Liquid Assets	0 - 10%	5.5%
Total		100.0%

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

TRUSTEE'S REPORT

For the year ended 31 March 2022, the portfolio total return amounted to +6.0% against an ethically adjusted comparator return of +7.2%. The portfolio's total funds increased from £125,487,894 (2021) to £128,600,436 (2022).

Investment strategy going forward will be closely monitored by the ROAS Investment Committee in response to the prolonged inflationary environment currently being experienced and other emergent market conditions.

Reserves

The capital funds of the Scheme are held as expendable endowment funds in accordance with the wishes of the donors. The purpose is to invest these funds to generate a sufficient return to fund the grants to overseas territories covering up to 100% of the cost of the basic retirement allowances for retired officers in accordance with long standing objectives.

During 2018/19, the ROAS Investment Committee concluded a consultation with prior donors to the Scheme which secured their support for use of investment gains as well as investment income to fund the expenditure of ROAS with this enacted via a year end procedure agreed by the Committee with the external auditors and in effect for the year under review. Under this procedure the ROAS Investment Committee assess the forecast year end position, reviews the projected overall surplus/deficit for the current year and the balances carried forward on unrestricted funds and expendable endowment funds, and decides if a transfer from expendable endowment funds to unrestricted funds (use of investment return to fund annual expenditure) is necessary.

Following deliberations, the Committee instructed a transfer of £2,000,000 from expendable endowment funds to unrestricted funds for 2021/22 with a final balance, following processing of the transfer, of £130,932,816 in expendable endowment funds and £1,916,464 in unrestricted funds.

Principal Risks and Uncertainties

SAITCo acknowledges its responsibilities relating to the management of risk. A formal risk management programme continues to operate allowing risks to be identified, classified and prioritised in terms of potential occurrence and impact. The Board of Directors of SAITCo has appointed a Risk Management Committee consisting of nine members, including an Independent Non-Executive Director of SAITCo.

A Risk Manager has been appointed and a Risk Register is maintained and kept under regular review by the Risk Manager and the Risk Management Committee. The Risk Management Committee works with the Risk Owner of each major risk to ensure acceptable action is taken to manage the risk and to establish suitable systems to reduce the likelihood of harmful outcomes occurring and the impact on the organisation should they occur.

In addition to the above framework, a range of additional protocols are in place allowing SAITCo to actively monitor the impact of the COVID-19 crisis and Russia/Ukraine crisis upon the operations of the Scheme as well as those of SALT and Salvation Army territories with working parties undertaking tasks in specific areas and regular updates provided to the Board considering the impact of the crises upon global Salvation Army operations, the financial position of the Scheme, the investment portfolio of the Scheme and associated logistical matters.

The main risks and uncertainties faced by the Scheme, as detailed in the Risk Register at the end of the financial year under review, are outlined below in top-down priority order together with a summary of the mitigating strategies being pursued to manage these risks:

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
TRUSTEE'S REPORT

Key Risk	Mitigating Strategy
Investment risk for ROAS portfolio including but not limited to: inflation risk, shortfall risk, country risk, currency risk, interest rate risk, volatility risk, liquidity risk, manager risk and market risk.	Perpetual review of investment performance and development of risk mitigating strategies by ROAS Investment Committee which includes external experts and is chaired by an Independent Non-Executive Director of SAITCo.
Unexpected demands for ROAS distributions.	Regular submission of budgets and retired officer allowance scales from territories for approval at IHQ Boards. Ongoing review of ROAS distribution levels by ROAS Investment Committee and SAITCo.
Deficient financial administration of ROAS grants in territories.	Continuous IHQ monitoring of global operations on a territory-by-territory basis. A suite of policies and procedures in place to manage operational risks. Annual external audits of territories with internal audits also undertaken periodically depending on the extent of perceived risk.

Statement of Trustee's Responsibilities

SAITCo is required to prepare an annual report and financial statements in order to discharge its duty of public accountability and stewardship. This report must give a true and fair view of the Scheme's affairs and its incoming resources and resources expended. In so doing SAITCo is required to account for all money and other assets which have been entrusted to the Scheme for whatever purpose. It is the responsibility of SAITCo to safeguard the assets of the Scheme and take all reasonable steps to prevent fraud and other irregularities.

SAITCo is responsible for ensuring that the assets of the Scheme are employed solely in furthering the objects as set out in the Declaration of Trust.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
TRUSTEE'S REPORT

SAITCo is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Scheme. The financial statements are required to be prepared in accordance with the Statement of Recommended Practice (FRS 102 second edition) (effective 1 January 2019). In preparing the financial statements, SAITCo is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue to operate.

For and on behalf of the Directors of The Salvation Army International Trustee Company.



Dr Matthew Carpenter *BA, MBA, DBA, MCMI*
Company Secretary

11 November 2022

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEE
OF THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME**

Opinion

We have audited the financial statements of The Salvation Army Retired Officers Allowance Scheme (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows 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 charity's affairs as at 31 March 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis of opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEE OF THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the Trustee's Responsibilities Statement set out on pages 10-11, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEE OF
THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME**

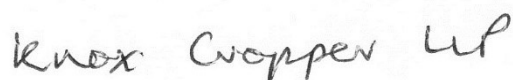
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting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

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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

Use of the audit report

This report is made solely to the charity's trustee in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the charity's trustee those matters we are required to state to the trustee in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustee for our audit work, for this report or for the opinions we have formed.



**Knox Cropper LLP
Statutory Auditor
65 Leadenhall Street
London EC3A 2AD**

11 November 2022

Knox Cropper LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 MARCH 2022

----- 2022-----					-----2021-----				
Notes	Unrestricted Funds £	Restricted Funds £	Expendable Endowment Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Expendable Endowment Funds £	Total £	
INCOME AND ENDOWMENTS FROM									
Voluntary Income	2								
Received from Salvation Army Territories	293,204	-	-	293,204	284,832	-	-	284,832	
Received from Salvation Army International Trust	-	-	-	-	-	-	-	-	
Other Donations	80	-	-	80	919	-	-	919	
	293,284	-	-	293,284	285,751	-	-	285,751	
Investments	3	2,344,297	-	2,344,297	2,103,075	-	-	2,103,075	
Total Income	2,637,581	-	-	2,637,581	2,388,826	-	-	2,388,826	
EXPENDITURE ON									
Raising Funds	4	488,649	-	488,649	451,799	-	-	451,799	
Charitable Activities	5	3,973,238	-	3,973,238	3,830,620	30,635	-	3,861,255	
Total Expenditure	4,461,887	-	-	4,461,887	4,282,419	30,635	-	4,313,054	
Net Gains/(Losses) on Investments	9(b)	-	-	5,085,889	5,085,889	-	-	25,952,713	25,952,713
Net Income/(Expenditure)		(1,824,306)	-	5,085,889	3,261,583	(1,893,593)	(30,635)	25,952,713	24,028,485
Transfers between Funds	12	2,000,000	-	(2,000,000)	-	2,000,000	-	(2,000,000)	-
Other Recognised Gains/(Losses)									
Other Gains/(Losses)		-	-	-	-	-	-	-	-
Net Movement in Funds		175,694	-	3,085,889	3,261,583	106,407	(30,635)	23,952,713	24,028,485
Reconciliation of Funds									
Total Funds Brought Forward 1 April 2021		1,740,770	-	127,846,927	129,587,697	1,634,363	30,635	103,894,214	105,559,212
Total Funds Carried Forward 31 March 2022		1,916,464	-	130,932,816	132,849,280	1,740,770	-	127,846,927	129,587,697

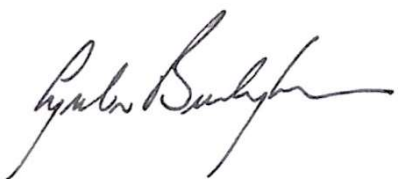
All activities reported above, in both the current and preceding year, relate to continuing activities.

The notes on pages 18 to 24 form an integral part of these Financial Statements.

**THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
BALANCE SHEET
AS AT 31 MARCH 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Investments	9	<u>121,387,831</u>	<u>122,148,925</u>
		<u>121,387,831</u>	<u>122,148,925</u>
CURRENT ASSETS			
Investments	9	7,212,605	3,338,969
Debtors and Prepayments	10	661,133	608,178
Bank and Cash		<u>5,276,293</u>	<u>4,831,011</u>
		13,150,031	8,778,158
Current Liabilities: Amounts falling due within one year	11	(1,688,582)	(1,339,386)
NET CURRENT ASSETS		<u>11,461,449</u>	<u>7,438,772</u>
NET ASSETS	13	<u><u>132,849,280</u></u>	<u><u>129,587,697</u></u>
FUNDS			
Unrestricted Funds		1,916,464	1,740,770
Expendable Endowment Funds		<u>130,932,816</u>	<u>127,846,927</u>
TOTAL FUNDS	12	<u><u>132,849,280</u></u>	<u><u>129,587,697</u></u>

Approved on behalf of The Salvation Army International Trustee Company on 11 November 2022 by:



Lyndon Buckingham - Chairman



Lee Graves - Managing Director

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2022

	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES	<u>(1,528,065)</u>	<u>(2,152,860)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(44,751,941)	(52,551,389)
Sales Proceeds from Investment Sales	<u>50,598,924</u>	<u>58,022,851</u>
	<u>5,846,983</u>	<u>5,471,462</u>
Change in Cash and Cash Equivalents during the year	4,318,918	3,318,601
Cash and Cash Equivalents at start of the year	<u>8,169,980</u>	<u>4,851,371</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>12,488,898</u>	<u>8,169,980</u>
 Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities		
Net Movement in Funds	3,261,583	24,028,485
Adjustments for:		
Net (Gains)/Losses on Investments	(5,085,889)	(25,952,713)
(Increase)/Decrease in Debtors	(52,955)	34,579
Increase/(Decrease) in Creditors	<u>349,196</u>	<u>(263,211)</u>
Net Cash Provided by Operating Activities	<u>(1,528,065)</u>	<u>(2,152,860)</u>
 Analysis of Cash and Cash Equivalents		
Deposits Held by Investment Manager	6,956,480	3,107,531
Cash Held by Investment Manager	256,125	231,438
Cash at Bank	<u>5,276,293</u>	<u>4,831,011</u>
Total Cash and Cash Equivalents	<u>12,488,898</u>	<u>8,169,980</u>

**THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out as follows:

(a) Basis of Accounting

The accounts have been prepared under the historical cost convention, subject to the inclusion of investments at market value, and are in compliance with the Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102 second edition) (effective 1 January 2019), the Charities Act 2011, The Salvation Army Act 1980 and FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The charity is a public benefit entity as defined by FRS 102.

- (b) Voluntary Income** – Contributions receivable from Salvation Army Territories are accounted for when remitted by the Territories to the Scheme, including contributions held by the Salvation Army International Trust on behalf of the Scheme. One exception to this is income receivable from the Canada and Bermuda Territory, which is invoiced and recognised on an accruals basis as an additional processing arrangement is in place for this territory.

Other income is recognised when all conditions of receipt are met.

- (c) Investment Income** is accounted for on an accruals basis.
- (d) Other Income** is accounted for on an accruals basis.
- (e) Grants Payable** are accounted for on the basis of approved claims received during the financial year from overseas territories with any outstanding claims accrued.
- (f) Other Expenditure** is accounted for on an accruals basis.
- (g) Going Concern** – The trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern. The trustee has reviewed the schemes financial position, considering cash levels and reserves to continue in the foreseeable future. It is at the discretion of the trustee to determine what contributions can be made to fund retirement allowances and if required these contributions could be decreased to continue as a going concern.
- (h) Expendable Endowment** funds represent donations received over a number of years of which the income earned is used to fund retirement allowances. The capital of the fund can be transferred to unrestricted funds, as and when necessary, to enable the payments to continue when earned income is insufficient.
- (i) Foreign exchange** transactions are recorded at the rate of exchange prevailing at the quarter end date to which the grant relates. All gains and losses on exchange are included in the Statement of Financial Activities.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2022

2. INCOMING RESOURCES

Contributions were received during the period from the following Salvation Army Territories and other donors.

	Unrestricted Contributions	2022	2021
	£	£	£
Canada and Bermuda	293,204	293,204	284,832
Other	<u>80</u>	<u>80</u>	<u>91</u>
	<u>293,284</u>	<u>293,284</u>	<u>285,75</u>

3. INVESTMENT INCOME

	2022	2021
	£	£
Interest Receivable	16,009	13,009
Dividends Receivable	1,543,056	1,108,428
Income from Gilts and Bonds	<u>785,232</u>	<u>981,638</u>
	<u>2,344,297</u>	<u>2,103,075</u>

4. COST OF RAISING FUNDS

	2022	2021
	£	£
Investment Management Costs	<u>488,649</u>	<u>451,799</u>
	<u>488,649</u>	<u>451,799</u>

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2022

5. CHARITABLE EXPENDITURE

The following grants have been made during the period:

	2022	2021
	£	£
GRANTS		
Angola	6,528	5,654
Bangladesh	3,030	3,942
Brazil	70,400	68,283
Caribbean	230,693	247,770
Congo (Brazzaville)	94,515	104,838
Democratic Republic of Congo	120,877	119,516
Eastern Europe	17,777	21,237
Ghana	72,253	61,540
India Central	228,748	227,200
India Eastern	107,683	97,220
India Northern	114,277	108,831
India South Eastern	287,153	258,101
Indian South Western	372,634	380,461
India Western	225,546	215,389
Indonesia	169,142	173,884
Kenya East	95,834	100,308
Kenya West	329,021	306,824
Latin America North	75,215	71,565
Liberia and Sierra Leone	5,759	5,596
Malawi	9,458	6,169
Mexico	114,431	108,074
Mozambique	2,555	1,670
Nigeria	95,346	85,903
Pakistan	72,930	75,041
Papua New Guinea and Solomon Islands	48,109	48,851
Philippines	81,130	87,337
Russia	21,099	19,197
Singapore, Malaysia and Myanmar	22,026	25,519
South America East	118,904	133,251
South America West	329,948	313,536
Southern Africa	232,232	202,332
Sri Lanka	34,797	35,779
Taiwan	20,826	20,862
Tanzania	4,032	4,432
Uganda	14,818	13,629
Zambia	50,787	39,063
Zimbabwe and Botswana	66,727	56,777
	<u>3,967,240</u>	<u>3,855,581</u>
OTHER EXPENDITURE		
Bank Charges	58	34
Audit Fees	5,940	5,640
	<u><u>3,973,238</u></u>	<u><u>3,861,255</u></u>

The above grants represent transfers made to overseas Salvation Army Territories to help fund the provision of allowances payable to retired Salvation Army Officers.

**THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2022**

6. TRUSTEES

Remuneration & Expenses

The directors of the Salvation Army International Trustee Company, the trustees, comprise senior Salvation Army officers and independent non-executive directors with specialist expertise and, for the period to 31 January 2022, an employee who acted as Director/Company Secretary. Taxable allowances and benefits, as well as trustee expenses are borne by the Salvation Army International Trust.

The independent non-executive directors did not receive any remuneration for their services.

7. AUDIT COSTS

The amount payable to the auditors for the audit of these financial statements amounts to £4,950 (2021: £4,700) excluding VAT.

8. TAXATION

As a registered charity, the Scheme is entitled to tax exemptions from tax available to charities on its income and gains.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2022

9. **INVESTMENTS**

	Market Value 2022	Cost 2022	Market Value 2021	Cost 2021
	£	£	£	£
(a) Listed Investments				
Bonds				
Government Bonds	1,745,795	1,741,114	705,180	631,735
Non-Government Bonds	22,551,043	24,602,517	22,819,115	22,538,673
	<u>24,296,838</u>	<u>26,343,631</u>	<u>23,524,295</u>	<u>23,170,408</u>
Equities				
UK Equities	13,250,424	12,700,344	13,290,511	11,670,248
Asian Equities	9,299,294	8,831,937	11,327,642	8,869,350
European Equities	15,261,265	13,724,878	18,900,115	14,320,466
North America Equities	53,955,884	37,066,414	53,611,685	37,910,796
South America Equities	-	-	1,494,677	1,770,392
Multi Regional Equities	5,324,126	4,871,242	-	-
	<u>97,090,993</u>	<u>77,194,815</u>	<u>98,624,630</u>	<u>74,541,252</u>
Fixed Asset -Investments (See note 9(b))	<u>121,387,831</u>	<u>103,538,446</u>	<u>122,148,925</u>	<u>97,711,660</u>
Deposits				
Sterling Deposits managed by Sarasins	6,956,480	6,956,480	3,107,531	3,107,531
Cash held with Broker	256,125	256,125	231,438	231,438
	<u>7,212,605</u>	<u>7,212,605</u>	<u>3,338,969</u>	<u>3,338,969</u>
Total Investments	<u>128,600,436</u>	<u>110,751,051</u>	<u>125,487,894</u>	<u>101,050,629</u>
(b) Movement in Listed Investments				
Market Value at 1 April 2021	122,148,925		101,667,673	
Purchases in year	44,751,941		52,551,389	
Sales Proceeds	(50,598,924)		(58,022,850)	
Net Gains/(Losses) – Listed Investments	<u>5,085,889</u>		<u>25,952,713</u>	
Market Value at 31 March 2022	<u>121,387,831</u>		<u>122,148,925</u>	

10. **DEBTORS**

	2022	2021
	£	£
Amounts owed from The Salvation Army International Trust	-	254,544
Accrued Interest and Dividends	367,929	353,634
Funds Receivable from Territories	<u>293,204</u>	-
	<u>661,133</u>	<u>608,178</u>

11. **CREDITORS**

	2022	2021
	£	£
Amounts owed to The Salvation Army International Trust	71,078	-
Accruals	123,304	120,927
Grants Payable	<u>1,494,200</u>	<u>1,218,451</u>
	<u>1,688,582</u>	<u>1,339,378</u>

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2022

12. FUNDS

	Brought Forward 01/04/2021	Income	Expenditure	Gains and (Losses)	Transfers Between Funds	Carried Forward 31/03/2022
	£	£	£	£		£
Unrestricted Funds	1,740,770	2,637,581	(4,461,887)	-	2,000,000	1,916,464
Expendable Endowment Funds	127,846,927	-	-	5,085,889	(2,000,000)	130,932,816
Total	129,587,697	2,637,581	(4,461,887)	5,085,889	-	132,849,280

The transfer between funds was agreed by the Trustees to ensure adequate unrestricted funds to pay existing and future creditors.

	Brought Forward 01/04/2020	Income	Expenditure	Gains and (Losses)	Transfers Between Funds	Carried Forward 31/03/2021
	£	£	£	£		£
Unrestricted Funds	1,634,363	2,388,826	(4,282,419)	-	2,000,000	1,740,770
Restricted Funds	30,635	-	(30,635)	-		
Expendable Endowment Funds	103,894,214	-	-	25,952,713	(2,000,000)	127,846,927
Total	105,559,212	2,388,826	(4,313,054)	25,952,713	-	129,587,697

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2022 £	Expendable Endowments 2022 £	Total Funds 2022 £
Fixed Asset Investments	-	121,387,831	121,387,831
Net Current Assets	1,916,464	9,544,985	11,461,449
	1,916,464	130,932,816	132,849,280

	Unrestricted Funds 2021 £	Expendable Endowments 2021 £	Total Funds 2021 £
Fixed Asset Investments	-	122,148,925	122,148,925
Net Current Assets	1,740,770	5,698,002	7,438,772
	1,740,770	127,846,927	129,587,697

**THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2022**

14. RELATED PARTIES: TRANSACTIONS WITH CONNECTED TRUSTS

The Salvation Army International Trust is a connected trust and both Trusts have the same Trustee. Officers and Employees of the Salvation Army International Trust provide management services to the scheme which are not recharged. The Retired Officers Allowance Scheme holds a current account and deposit accounts with Reliance Bank Limited which is owned solely by The Salvation Army International Trust. Balances held at the year end at Reliance Bank Limited amounted to £5.28m (2021: £4.83m).

Grants payable to overseas Salvation Army territories are set out in note 5 and grants receivable from overseas Salvation Army territories are set out in note 2. Each territory is governed through local registration(s) and separate legal entities. However, The Salvation Army remains under the oversight, direction and control of the General of The Salvation Army, as set out in greater detail in The Salvation Army Act 1980.

There were no other related party transactions.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

England & Wales - Charity number 1153681

Accounts

The Salvation Army Retired Officers Allowance Scheme

**8th Report and Accounts for
the year ended 31 March 2021**



THE SALVATION ARMY
International Headquarters
101 Queen Victoria Street
London EC4V 4EH

MISSION STATEMENT

International Headquarters exists to support the General as he/she leads The Salvation Army to accomplish its God-given worldwide mission to preach the gospel of Jesus Christ and meet human needs in his name without discrimination.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
TRUSTEE'S REPORT

The Trustee is pleased to present the annual report for The Salvation Army Retired Officers Allowance Scheme for the year ended 31 March 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The General, acting under powers contained in The Salvation Army Act 1980, established The Salvation Army International Trust (SAIT) to further the worldwide work of The Salvation Army. The Salvation Army International Trustee Company (SAITCo), a company limited by guarantee, was formed and appointed as the ordinary Trustee of the International Trust.

The Salvation Army Retired Officers Allowance Scheme (referred to as 'the Scheme' or 'ROAS') is a separately registered charity that is administered by SAITCo as the trustee. The directors of SAITCo are thus effectively the trustees of both SAIT and the Scheme.

The Salvation Army International Trustee Company – Ordinary Trustee

Company Registration No 2538134

The Salvation Army International Trust

Registered Charity No 1000566

Trust Settlement Deed dated 21 September 1990

The Salvation Army Retired Officers Allowance Scheme

Registered Charity 1153681

Declaration of Trust dated 13 December 2012

The General of The Salvation Army specifies the qualifying offices and the experts for SAITCo. Qualifying offices are such offices of The Salvation Army as the General may from time to time specify by notice to SAITCo and experts are persons who satisfy such conditions and/or who have such qualifications or expertise as the General may from time to time specify by notice to SAITCo. Both the qualifying offices' holders and the experts make application for membership of SAITCo with consent to become Directors and are accepted by the Board of Directors of SAITCo. All new directors follow teaching modules prepared specifically for The Salvation Army on its constitution and the duties and responsibilities of directors. In addition individual directors follow external courses.

Directors

Commissioner Birgitte Brekke-Clifton <i>SRN</i>	from 1 March 2013 to 30 June 2021
Commissioner Lyndon Buckingham	from 3 August 2018
Commissioner Keith Conrad	from 1 August 2019
Commissioner Lee Graves <i>MBA</i>	from 1 November 2020
Commissioner Merle Heatwole <i>BSc</i>	from 2 November 2015 to 31 October 2020
Commissioner Edward Hill <i>MDiv, MACE</i>	from 1 May 2021
Commissioner Debbie Horwood	from 1 July 2021
Commissioner Eva Kleman	from 1 November 2020
Commissioner Johnny Kleman	from 1 January 2018 to 31 October 2020
Commissioner Robyn Maxwell	from 1 November 2020
Commissioner Wayne Maxwell <i>Dip Min, BTh, MA</i>	from 1 October 2019 to 31 October 2020
Commissioner Suresh Pawar	from 12 November 2020
Commissioner Mark Tillsley <i>BA, MSc, PhD</i>	from 11 May 2018 to 30 April 2021
Commissioner Alistair Venter	from 29 September 2017 to 31 October 2020
Dr Matthew Carpenter <i>BA, MBA, DBA, MCMi</i>	from 1 July 2014
Ms Elizabeth Edwards <i>BSc (Hons), FRICS</i>	from 1 May 2013
Mr Peter King <i>Solicitor, MA</i>	from 1 May 2013
Mr Robert Lister	from 1 January 2016
Mr Robin Foale	from 1 May 2019
Mr Mark Goodale <i>BA, FIA</i>	from 1 May 2019

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
TRUSTEE'S REPORT

Principal Officers

Commissioner Merle Heatwole BSc
Commissioner Lee Graves MBA
Dr Matthew Carpenter BA, MBA, DBA, MCMI
Mr Kaloan Belito BA, DchA, MSc, FCCA

Managing Director to 31 October 2020
Managing Director from 1 November 2020
Company Secretary
Chief Accountant

Bankers

HSBC Bank plc
60 Queen Victoria Street
London EC4N 4TR

Reliance Bank Limited
Faith House, 23-24 Lovat Lane
London EC3R 8EB

National Westminster Bank
38 Strand
London WC2H 5JB

Solicitors

Slaughter and May
One Bunhill Row
London EC1Y 8YY

Auditors

Knox Cropper LLP
65 Leadenhall Street
London EC3A 2AD

Investment Manager

Sarasin & Partners LLP
100 St Paul's Churchyard
Juxon House
London EC4M 8BU

Related Parties

The Salvation Army is, for administrative purposes, divided into autonomous territories (generally by region or country). Each territory is governed, through local registration(s), in accordance with the applicable local laws and the Scheme works with and through these separate legal entities. However, The Salvation Army remains under the oversight, direction and control of the General of The Salvation Army, as set out in greater detail in The Salvation Army Act 1980.

The Salvation Army International Trust (SAIT)

Registered Charity No 1000566
Trust Settlement Deed dated 21 September 1990

SAIT is a separately registered charity that is administered by SAITCo as the trustee. The banking company, Reliance Bank Limited, is a wholly owned subsidiary of SAIT.

SAIT exists to further the work of The Salvation Army, which is to advance the Christian religion and meet human need as and where it occurs throughout the world, and support the work of International Headquarters (IHQ). IHQ is responsible for coordinating the international work and overseeing strategy.

The Salvation Army in the United Kingdom and the Republic of Ireland

Within the United Kingdom and the Republic of Ireland, the work of The Salvation Army is directed by the United Kingdom and Ireland Territory with resources provided through Trusts administered by The Salvation Army Trustee Company. The two principal trusts of this territory are The Salvation Army Trust and The Salvation Army Social Work Trust.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

TRUSTEE'S REPORT

Governance

SAITCo utilises a corporate committee structure to supervise operations of the Scheme. This includes operation of a ROAS Investment Committee (exclusively focused on the Scheme portfolio), Audit Committee and Risk Management Committee with significant involvement from the five Non-Executive Directors of SAITCo. The ROAS Investment Committee is chaired by a Non-Executive Director of SAITCo and considers overall strategy for the Scheme on an ongoing basis recognising a range of available actions including adjusting grants, seeking further donations from territories or external donors and adjusting the mandate of the investment manager. The terms of reference for all subsidiary committees and minutes of all meetings of these committees are reviewed by SAITCo Directors on a regular basis with the latest review of terms of reference undertaken in July 2021.

SAITCo commenced a wide ranging and significant governance review during 2018/19 assisted by an external consultant and involving a review of SAITCo membership, structure, interrelationships with other IHQ bodies, performance and effectiveness as well as benchmarking to good governance practice as outlined within the Charity Governance Code. SAITCo already embraces many governance activities outlined within the Code such as conducting board induction and training, managing potential or actual conflicts of interest and regularly reviewing terms of reference for subsidiary boards with opportunity for further development in areas such as formal monitoring of Board skills and performance.

A Board Charter for SAITCo was developed during 2019/20 within the governance review process and approved for implementation. The Charter defines the roles, responsibilities and authorities of SAITCo in the effective and efficient functioning of SAIT and the Scheme and considers mission objectives, board roles, board procedures, board composition, board committees, board induction and ongoing training, conflicts of interest and board evaluation.

During 2020/21, the Articles of Association of SAITCo were revised and the SAITCo Board Charter further reviewed and updated to embed reforms prompted by the governance review. An operational review of IHQ was also undertaken during the year with assistance from two consultants and a remit including review of the internal committee structure including the purpose, membership, expectations, outputs, reporting lines, accountability and decision-making thresholds of each board, committee and council. A number of reforms highlighted by the operational review have already been implemented with a further body of agreed actions anticipated in 2021/22.

SAITCo has a Serious Incident Reporting Policy and Procedure in place, reviewed and updated in May 2020, outlining the process followed to decide if an incident relating to the Scheme would be appropriate to be reported to the Charity Commission as a serious incident in accordance with the latest regulatory guidance.

A well-established Internal Audit Department also carries out a cycle of reviews of the systems in operation within IHQ and in all countries where The Salvation Army is working and a sound framework of internal controls and strong financial management systems are in place, supported by a manual of International Financial and Accounting Standards (IFAS) for The Salvation Army issued from IHQ. A project is also well underway to roll out cloud-based accounting software to all financially supported territories and enable more regular and more detailed reporting of Key Financial Indicators (KFIs) from territories to IHQ. A new reporting mechanism from territories to IHQ commenced during 2020/21, based upon the suite of 17 KFIs defined within the IFAS manual, allowing IHQ to be better informed of the financial position in territories. These structures and initiatives enable ongoing assessment and review of the local use of grants allocated from the Scheme within recipient countries.

An Audit Committee meets on a quarterly basis, is chaired by a Non-Executive Director of SAITCo, and comprises four members none of whom hold executive responsibility for management of the Scheme. The Committee holds delegated responsibility on behalf of SAITCo for continual review of the financial management and internal controls of the Scheme and holds a direct line of communication to the external auditor.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
TRUSTEE'S REPORT

Remuneration

The Directors of SAITCo comprise senior Salvation Army officers, an employee who acts as Director/Company Secretary and Non-Executive Directors with specialist expertise. Taxable allowances and benefits as well as Directors expenses are met from SAIT and are not charged to the Scheme.

Modern Slavery Act

The Salvation Army is very active in bringing practical assistance to those whose lives have been affected by the evil of modern slavery and as such is sensitive to the danger of inadvertently finding itself falling short of its own beliefs and standards in this regard as well as the standards set out in the UK Government's Modern Slavery Act 2015. The Modern Slavery Act 2015 compliance statement for SAITCo, reviewed and updated in November 2020, can be accessed at <http://www.salvationarmy.org/ihq/modernslaveryact2015> and provides details of the variety of measures undertaken by SAITCo to avoid and reduce the risk of inadvertently supporting modern slavery in any way.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although the Scheme does not actively undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts receivable are presented in the Accounts as "Other Donations".

In relation to the above, SAITCo confirms that no fundraising activity has been taken by the Scheme, or by anyone acting on its behalf, that no fundraising standards or scheme for fundraising regulation has been subscribed to by the Scheme, or by anyone acting on its behalf, that no complaints in relation to fundraising activities have been received and that any solicitations are managed internally, without involvement of commercial participants or professional fund-raisers.

OBJECTIVES AND ACTIVITIES

Public Benefit

In setting and reviewing the Scheme's aims and objectives and planning future activities, SAITCo pays due regard to the guidance issued by the Charity Commission on public benefit. The main activities of the charity are:

- To relieve the poverty of retired officers of The Salvation Army anywhere in the world by funding provision of retirement allowances.
- To relieve financial hardship amongst elderly retired officers of The Salvation Army anywhere in the world by funding provision of retirement allowances.

The charitable objects are achieved by issuing grants to Salvation Army territories, commands and regions around the world to fund the provision of retirement allowances to officers of The Salvation Army.

During the reporting period, the Scheme was able to cover 100% of the cost of the basic retirement allowances of Salvation Army officers in territories, regions and commands requiring this financial support.

ACHIEVEMENTS AND PERFORMANCE

The Scheme distributed grants to 37 overseas territories during the year with allocated grants totalling £3,855,581 (2020: £3,868,340) providing funding towards the retirement allowances of 3,170 officers of The Salvation Army (2020: 3,162). The following illustrative testimonials have been provided by recipient territories:

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
TRUSTEE'S REPORT

Southern Africa

"The retired officers in South Africa are very thankful and blessed to receive their monthly retirement allowances following receipt of ROAS grants.

By far the majority of them do not have any other income to sustain their livelihoods and the monthly amounts received make it possible for retired officers to survive. Most of them cannot be supported by their children or other family members due to the high rate of unemployment in South Africa. Circumstances have also been dramatically impacted by the COVID-19 crisis which has negatively impacted the economy of South Africa.

The retired officers have often given their entire working lives to the mission of The Salvation Army and the territory does not have the financial means to afford their retirement allowances and so is extremely grateful for ROAS assistance."

Papua New Guinea & Solomon Islands Territory

"Retired officers in Papua New Guinea are compelled to have a plan in place to meet their basic needs after retirement from active service. They do so in humility and without complaining. Since retired officers mostly retire to their home villages, they often also engage in subsistence farming or fishing.

The Scheme is a significant blessing to the retired officers, ensuring that they have cash in hand to purchase basic essentials, not only food, but also farming supplies. It also provides them the means to travel on public transport to the nearest town. Often, retired officers are required to care for children of family members, which is an inherent concept of local culture.

The impact of ROAS grants is therefore far-reaching. Retired officers do not regard their retirement allowances as a right, but view it as an additional blessing from God. It is almost impossible to commit to words the impact the retired officer allowances met by ROAS provide for these preeminent heroes of the faith."

Eastern Europe Territory

"The Eastern Europe Territory (EET) has a growing cohort of retired officers in three countries: Moldova, Romania and Ukraine.

The countries of EET are among the poorest in Europe with a low life-expectancy. Whilst there are some distinct national characteristics, many are shared. Local economies have remained reasonably stable in recent years but in 2020/21 the COVID-19 pandemic introduced a great deal of uncertainty especially to small, family run businesses.

Officers in Eastern Europe retire with a basic government pension. The pension is not enough to sustain an individual in retirement and those relying solely on the government pension live in extreme poverty. Single retired officers in particular are at risk if their pensions are not supplemented and may have to continue to work all their lives just to try to make ends meet. ROAS funding helps retired officers meet their daily expenses, gives them more freedom to be able to enjoy their retirement and has alleviated the need for them to seek extra work to be able to survive on a daily basis."

Pakistan Territory

"ROAS grants have benefitted hugely the retired officers in Pakistan Territory, providing care and financial help with a depth of heart so that people do not feel alone and can fulfill their basic needs of life.

Retired officers typically utilise their retirement allowances for household groceries and utility bills while during the COVID-19 crisis many have had to cater for themselves away from families at this time of need and unrest.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

TRUSTEE'S REPORT

ROAS funding allows them to feel secure and happy while enjoying financial support through regular allowances."

Latin America North Territory

"ROAS has been a great blessing for the retired officers of our territory especially in 2020/21, an unprecedented and challenging year due to the global COVID-19 pandemic. Even though the whole world had to face this crisis, it was a relief that thanks to ROAS it was possible to care for our retired officers in this difficult time. A retired officer couple in the territory shared the following personal testimony:

'Since we retired, we have received the allowance funded by ROAS on a timely basis and it has been a great blessing. During the last year, we were surprised by the global pandemic caused by COVID-19 with the government advising older people not to enter public places and to avoid crowds of people. There were also severe hurricanes and thousands of people in Guatemala lost their jobs, their house, their money or even their lives. In our case, with ROAS support we have continued to have our basic needs met and receive our retirement allowance despite the emergency caused by the pandemic and hurricanes in the country. We feel very grateful and blessed for the retirement allowances made possible due to ROAS.'

Key Statistics

- ☐ The Scheme distributed grants to 37 overseas territories during 2020/21 totalling £3.86 million.
- ☐ Grants have significantly increased in recent years from £1.13 million (2016) to £3.86 million (2021).
- ☐ 3,170 retired officers of The Salvation Army benefitted from the grants distributed during the year.

Future Plans

The longstanding aim of the Scheme has been to build an investment portfolio sufficient to cover up to 100% of the cost of the basic retirement allowances of Salvation Army officers in territories requiring this financial support.

This significant milestone was realised with commencement of grants to cover 100% of the cost of the basic retirement allowances effective from 2016/17, with grants subsequently maintained at this level including for the year under review. Achievement of this keynote objective was only possible due to the strong financial position of the Scheme (see Financial Review below) with the operational impact upon beneficiaries to be continually monitored and assessed in future years.

Going forward, the Scheme will focus upon maintaining total grant funding at a level sufficient to cover 100% of the cost of the basic retirement allowances of Salvation Army officers in territories requiring this financial support, within a sustainable funding model.

The operation of the Scheme and ability to meet the above stated objective is recognised as impacted by the ongoing COVID-19 crisis. SAITCo will continue to actively monitor the impact of the pandemic upon the operations of the Scheme as well as those of SAIT and Salvation Army territories with updates provided to the Board considering the impact of the COVID-19 crisis upon global Salvation Army operations, the financial position of the Scheme, the investment portfolio of the Scheme and associated logistical matters.

The Scheme is well placed to meet the crisis and achieve its focused grant-making objectives due to its strong financial position, investment strategy and reserves policy (see Financial Review below) all underpinned by the governance structures of SAITCo.

The Trustee continues to monitor developments closely in relation to the COVID-19 crisis and other external events and remains confident that the level of reserves held is adequate in the changing economic climate and does not impact adversely on the Scheme's going concern status.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
TRUSTEE'S REPORT

FINANCIAL REVIEW

Total income of £2,388,826 (2020: £2,717,089) was received during 2020/21 including contributions from Salvation Army territories totalling £284,832 (2020: £290,869) and other donations of £919 (2020: £67).

The total investment income of £2,103,075 (2020: £2,304,728) received during 2020/21 comprised interest receivable of £13,009 (2020: £54,317), dividends receivable of £1,108,428 (2020: £1,383,617) and income from gilts and bonds of £981,638 (2020: £866,794). Total expenditure showed only a small increase from £4,289,821 (2020) to £4,313,054 (2021) including distributions to recipient territories of £3,855,581 (2020: £3,868,340), cost of raising funds of £451,799 (2020: £415,939) and other costs of £5,674 (2020: £5,542).

A total of £121,425 was received from SAIT in 2019/20 as a transfer of restricted reserves held for the benefit of retired officers in specific geographical areas with these funds fully or partially offset against applicable ROAS grants to territories during the year. A balance of £30,635 from these funds was brought forward to 2020/21 and fully expended in the year to fund applicable ROAS grants to territories.

Most notably, movement in listed investments recorded a net gain of £25,952,713 following a gain of £2,468,130 (2020), reflecting market conditions and representing both the realised and unrealised gains/losses arising on sales and the market value of investments held at year end.

A transfer of £2,000,000 (2020: £2,000,000) was made from expendable endowment funds to unrestricted funds upon instruction from the ROAS Investment Committee in accordance with the Reserves Policy (see below).

The net movement in funds for the year shows increases in expendable endowment funds of £23,952,713 and unrestricted funds of £106,407. Total funds of £129,587,697 were held at year end comprising £127,846,927 in expendable endowment funds and £1,740,770 in unrestricted funds.

Investments

Investments are managed under the terms of an investment management agreement with Sarasin & Partners LLP. The investment manager is required to make investments on behalf of the Scheme in line with benchmarks that have been set and against which performance is measured.

The ROAS Investment Committee which sits to review investment performance receives periodic reports on matters pertinent to its investment policy and this facilitates discussion which, in turn, enhances the committees understanding of the relationship between its Christian conviction and ethos and investment return; and even more importantly, the positive effect that its policy can have on companies which themselves may (or may not) be seeking to improve conditions in many parts of the world. The reports are tabled at meetings of SAITCo so that those Directors who do not sit on the Investment Committee have an opportunity to add to the debate and have greater understanding of the issues that the Scheme can tackle through its investment policy.

SAITCo has established an ethical investment policy to reflect The Salvation Army's ethical and moral stance. Therefore, this policy excludes investment in companies which derive more than 10% of their revenues in aggregate from any of the following categories:

- a) the production and/or sale of alcohol
- b) the production and/or sale of tobacco
- c) the manufacture and/or sale of whole weapons, weapon platforms and weapon systems
- d) the manufacture and/or sale of strategic parts for weapon systems
- e) the promotion or operation of gambling enterprises
- f) the provision of adult entertainment services
- g) the publication and/or sale of pornographic media
- h) the extraction of thermal coal or the production of oil from tar sands

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
TRUSTEE'S REPORT

For the avoidance of doubt in relation to sub-paragraphs (c) and (d) above, 'weapons' refers to both nuclear and conventional weapons. In addition, investment is excluded in companies with disregard for human rights and/or the pollution of the environment.

Beyond the ethical statement, the investment manager is directed to take into account The Salvation Army Act 1980 and to monitor the portfolio to ensure companies held within it adhere to best practice in corporate governance, employment conditions, social responsibility and environmental sustainability.

The following table gives the long-term ranges and current weightings expressed in percentages of the Trusts investment funds:

Asset Type at 31/03/2021	Long-term Range	Year End Position Weightings
Long-dated Corporate Bonds	15 - 35%	18.9%
Equities	55 - 75%	71.5%
Alternatives	0 - 10%	6.9%
Liquid Assets	0 - 10%	2.7%
Total		100.0%

For the year ended 31 March 2021, the portfolio total return amounted to +27.2% against an ethically adjusted benchmark return of +25.2%. The portfolio benefitted from the strong overall performance with total funds increasing from £105,032,565 (2020) to £125,487,894 (2021).

Investment strategy going forward will be closely monitored by the ROAS Investment Committee in response to the global recovery from COVID-19 and other emergent market conditions.

Reserves

The capital funds of the Scheme are held as expendable endowment funds in accordance with the wishes of the donors. The purpose is to invest these funds to generate a sufficient return to fund the grants to overseas territories covering up to 100% of the cost of the basic retirement allowances for retired officers in accordance with long standing objectives.

During 2018/19, the ROAS Investment Committee concluded a consultation with prior donors to the Scheme which secured their support for use of investment gains as well as investment income to fund the expenditure of ROAS with this enacted via a year end procedure agreed by the Committee with the external auditors and in effect for the year under review. Under this procedure the ROAS Investment Committee assess the forecast year end position, reviews the projected overall surplus/deficit for the current year and the balances carried forward on unrestricted funds and expendable endowment funds, and decides if a transfer from expendable endowment funds to unrestricted funds (use of investment return to fund annual expenditure) is necessary.

Following deliberations, the Committee instructed a transfer of £2,000,000 from expendable endowment funds to unrestricted funds for 2020/21 with a final balance, following processing of the transfer, of £127,846,927 in expendable endowment funds and £1,740,770 in unrestricted funds.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
TRUSTEE'S REPORT

Principal Risks and Uncertainties

SAITCo acknowledges its responsibilities relating to the management of risk. A formal risk management programme continues to operate allowing risks to be identified, classified and prioritised in terms of potential occurrence and impact. The Board of Directors of SAITCo has appointed a Risk Management Committee consisting of eight members, including a Non-Executive Director.

A Risk Manager has been appointed and a Risk Register is maintained and kept under regular review by the Risk Manager and the Risk Management Committee. The Risk Management Committee works with the Risk Owner of each major risk to ensure acceptable action is taken to manage the risk and to establish suitable systems to reduce the likelihood of harmful outcomes occurring and the impact on the organisation should they occur.

In addition to the above framework, a range of emergency protocols are in place allowing SAITCo to actively monitor the impact of the COVID-19 crisis upon the operations of the Scheme as well as those of SAIT and Salvation Army territories with multiple working parties undertaking tasks in specific areas and regular updates provided to the Board considering the impact of the COVID-19 crisis upon global Salvation Army operations, the financial position of the Scheme, the investment portfolio of the Scheme and associated logistical matters.

The main risks and uncertainties faced by the Scheme, as detailed in the Risk Register at the end of the financial year under review, are outlined below in top-down priority order together with a summary of the mitigating strategies being pursued to manage these risks:

Key Risk	Mitigating Strategy
Investment risk for ROAS portfolio including but not limited to: inflation risk, shortfall risk, country risk, currency risk, interest rate risk, volatility risk, liquidity risk, manager risk and market risk.	Perpetual review of investment performance and development of risk mitigating strategies by ROAS Investment Committee including expert Non-Executive Directors.
Unexpected demands for ROAS distributions.	Regular submission of budgets and retired officer allowance scales from territories for approval at IHQ Boards. Ongoing review of ROAS distribution levels by ROAS Investment Committee and SAITCo.
Deficient financial administration of ROAS grants in territories.	Continuous IHQ monitoring of global operations on a territory by territory basis. A suite of policies and procedures in place to manage operational risks. Annual external audits of territories with internal audits also undertaken periodically depending on the extent of perceived risk.

Statement of Trustee's Responsibilities

SAITCo is required to prepare an annual report and financial statements in order to discharge its duty of public accountability and stewardship. This report must give a true and fair view of the Scheme's affairs and its incoming resources and resources expended. In so doing SAITCo is required to account for all money and other assets which have been entrusted to the Scheme for whatever purpose. It is the responsibility of SAITCo to safeguard the assets of the Scheme and take all reasonable steps to prevent fraud and other irregularities.

SAITCo is responsible for ensuring that the assets of the Scheme are employed solely in furthering the objects as set out in the Declaration of Trust.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
TRUSTEE'S REPORT

SAITCo is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Scheme. The financial statements are required to be prepared in accordance with the Statement of Recommended Practice (FRS 102 second edition) (effective 1 January 2019). In preparing the financial statements, SAITCo is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue to operate.

For and on behalf of the Directors of The Salvation Army International Trustee Company.

Dr Matthew Carpenter *BA, MBA, DBA, MCM*
Company Secretary

12 November 2021



REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEE
OF THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

Opinion

We have audited the financial statements of The Salvation Army Retired Officers Allowance Scheme (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows 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 charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis of opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEE OF
THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the Trustee's Responsibilities Statement set out on pages 9-10, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEE OF
THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME

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:

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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

Use of the audit report

This report is made solely to the charity's trustee in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the charity's trustee those matters we are required to state to the trustee in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustee for our audit work, for this report or for the opinions we have formed.

Knox Cropper LLP

**Knox Cropper LLP
Statutory Auditor
65 Leadenhall Street
London EC3A 2AD**

12 November 2021

Knox Cropper LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

		2021				2020			
	Notes	Unrestricted Funds £	Restricted Funds £	Expendable Endowment Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Expendable Endowment Funds £	Total £
INCOME AND ENDOWMENTS FROM									
Voluntary Income	2								
Received from Salvation Army Territories		284,832	-	-	284,832	290,869	-	-	290,869
Received from Salvation Army International Trust		-	-	-	-	-	121,425	-	121,425
Other Donations		919	-	-	919	67	-	-	67
		285,751	-	-	285,751	290,936	121,425	-	412,361
Investments	3	2,103,075	-	-	2,103,075	2,304,728	-	-	2,304,728
Total Income		2,388,826	-	-	2,388,826	2,595,664	121,425	-	2,717,089
EXPENDITURE ON									
Raising Funds	4	451,799	-	-	451,799	415,939	-	-	415,939
Charitable Activities	5	3,830,620	30,635	-	3,861,255	3,783,092	90,790	-	3,873,882
Total Expenditure		4,282,419	30,635	-	4,313,054	4,199,031	90,790	-	4,289,821
Net Gains/(Losses) on Investments	9(b)	-	-	25,952,713	25,952,713	-	-	2,468,130	2,468,130
Net Income/(Expenditure)		(1,893,593)	(30,635)	25,952,713	24,028,485	(1,603,367)	30,635	2,468,130	895,398
Transfers between Funds	12	2,000,000	-	(2,000,000)	-	2,000,000	-	(2,000,000)	-
Other Recognised Gains/(Losses)									
Other Gains/(Losses)		-	-	-	-	-	-	-	-
Net Movement in Funds		106,407	(30,635)	23,952,713	24,028,485	396,633	30,635	468,130	895,398
Reconciliation of Funds									
Total Funds Brought Forward 1 April 2020		1,634,363	30,635	103,894,214	105,559,212	1,237,730	-	103,426,084	104,663,814
Total Funds Carried Forward 31 March 2021		1,740,770	-	127,846,927	129,587,697	1,634,363	30,635	103,894,214	105,559,212

The notes on pages 17 to 21 form an integral part of these Financial Statements.
All activities reported above, in both the current and preceding year, relate to continuing activities.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
BALANCE SHEET
AS AT 31 MARCH 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Investments	9	122,148,925	101,667,673
		<u>122,148,925</u>	<u>101,667,673</u>
CURRENT ASSETS			
Investments	9	3,338,969	3,364,892
Debtors and Prepayments	10	608,178	642,757
Bank and Cash		4,831,011	1,486,487
		<u>8,778,158</u>	<u>5,494,136</u>
Current Liabilities: Amounts falling due within one year	11	(1,339,386)	(1,602,597)
NET CURRENT ASSETS		<u>7,438,772</u>	<u>3,891,539</u>
NET ASSETS		<u>£129,587,697</u>	<u>£105,559,212</u>
FUNDS			
Unrestricted Funds		1,740,770	1,634,363
Restricted Funds		-	30,635
Expendable Endowment Funds		127,846,927	103,894,214
TOTAL FUNDS	12	<u>£129,587,697</u>	<u>£105,559,212</u>

The notes on pages 17 to 21 form an integral part of these Financial Statements.

Approved on behalf of The Salvation Army International Trustee Company on 12th November 2021 by:

Lyndon Buckingham - Chairman

Lee Graves - Managing Director

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES	(2,152,860)	(1,154,373)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(52,551,389)	(34,757,075)
Sales Proceeds from Investment Sales	58,022,850	29,813,895
	5,471,461	(4,943,180)
Change in Cash and Cash Equivalents during the year	3,318,601	(6,097,553)
Cash and Cash Equivalents at start of the year	4,851,379	10,948,932
CASH AND CASH EQUIVALENTS AT END OF YEAR	8,169,980	4,851,379
Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities		
Net Movement in Funds	24,028,485	895,398
Adjustments for:		
Net (Gains)/Losses on Investments	(25,952,713)	(2,468,130)
(Increase)/Decrease in Debtors	34,579	(12,819)
Increase/(Decrease) in Creditors	(263,211)	431,178
Net Cash Provided by Operating Activities	(2,152,860)	(1,154,373)
Analysis of Cash and Cash Equivalents		
Deposits Held by Investment Manager	3,107,531	3,122,227
Cash Held by Investment Manager	231,438	242,665
Cash at Bank	4,831,011	1,486,487
Total Cash and Cash Equivalents	8,169,980	4,851,379

	Brought Forward 01/04/2020	Cashflows	Carried Forward 31/03/2021
Analysis of changes in Net Debt			
Cash and cash equivalents			
Cash	4,851,379	3,318,601	8,169,980
	4,851,379	3,318,601	8,169,980
Borrowings			
	-	-	-
Total	4,851,379	3,318,601	8,169,980

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out as follows:

(a) Basis of Accounting

The accounts have been prepared under the historical cost convention, subject to the inclusion of investments at market value, and are in compliance with the Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102 second edition) (effective 1 January 2019), the Charities Act 2011, The Salvation Army Act 1980 and FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The charity is a public benefit entity as defined by FRS 102.

(b) Voluntary Income – Contributions receivable from Salvation Army Territories are accounted for when remitted by the Territories to the Scheme, including contributions held by the Salvation Army International Trust on behalf of the Scheme. One exception to this is income receivable from the Canada and Bermuda Territory, which is invoiced and recognised on an accruals basis as an additional processing arrangement is in place for this territory.

Other income are recognised when all conditions of receipt are met.

(c) Investment Income is accounted for on an accruals basis.

(d) Other Income is accounted for on an accruals basis.

(e) Grants Payable are accounted for on the basis of approved claims received during the financial year from overseas territories with any outstanding claims accrued.

(f) Other Expenditure is accounted for on an accruals basis.

(g) Going Concern – The trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern. The trustee has reviewed the scheme's financial position, considering cash levels and reserves to continue in the foreseeable future. It is at the discretion of the trustee to determine what contributions can be made to fund retirement allowances and if required these contributions could be decreased to continue as a going concern.

(h) Expendable Endowment funds represent donations received over a number of years of which the income earned and investment gains are used to fund retirement allowances where required. The capital of the fund can be transferred to unrestricted funds, as and when necessary, to enable the payments to continue when earned income is insufficient.

(i) Restricted funds represent transfers in the prior year of restricted reserves from The Salvation Army International Trust in relation to reserves held for the benefit of retired officers in specific geographical areas. The restricted reserves were offset against payments made to Ghana during the year.

(j) Foreign Exchange transactions are recorded at the rate of exchange prevailing at the quarter end date to which the grant relates. All gains and losses on exchange are included in the Statement of Financial Activities.

2. INCOMING RESOURCES

Contributions were received during the period from the following Salvation Army Territories and other donors.

	Unrestricted Contributions	Restricted Contributions	Endowment Contributions	2021	2020
	£	£	£	£	£
Canada and Bermuda	284,832	-	-	284,832	290,869
Received from Salvation Army International Trust	-	-	-	-	121,425
Other	919	-	-	919	67
	<u>285,751</u>	<u>-</u>	<u>-</u>	<u>285,751</u>	<u>412,361</u>

3. INVESTMENT INCOME

	2021	2020
	£	£
Interest Receivable	13,009	54,317
Dividends Receivable	1,108,428	1,383,617
Income from Gilts and Bonds	981,638	866,794
	<u>2,103,075</u>	<u>2,304,728</u>

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

4. COST OF RAISING FUNDS

	2021	2020
	£	£
Investment Management Costs	451,799	415,939
	<u>451,799</u>	<u>415,939</u>

5. CHARITABLE EXPENDITURE

The following grants have been made during the period:

	2021	2020
	£	£
GRANTS		
Angola	5,654	7,497
Bangladesh	3,942	3,735
Brazil	68,283	84,529
Caribbean	247,770	267,639
Congo (Brazzaville)	104,838	72,857
Democratic Republic of Congo	119,516	113,109
Eastern Europe	21,237	17,192
Ghana	61,540	47,060
India Central	227,200	224,294
India Eastern	97,220	86,547
India Northern	108,831	113,430
India South Eastern	258,101	248,336
Indian South Western	380,461	341,404
India Western	215,389	219,826
Indonesia	173,884	167,165
Kenya East	100,308	88,825
Kenya West	306,824	320,387
Latin America North	71,565	64,161
Liberia and Sierra Leone	5,596	3,474
Malawi	6,169	4,163
Mexico	108,074	109,126
Mozambique	1,670	1,472
Nigeria	85,903	76,511
Pakistan	75,041	74,133
Papua New Guinea and Solomon Islands	48,851	32,626
Philippines	87,337	74,218
Russia	19,197	28,307
Singapore, Malaysia and Myanmar	25,519	19,222
South America East	133,251	108,320
South America West	313,536	364,735
Southern Africa	202,332	234,207
Sri Lanka	35,779	33,658
Taiwan	20,862	20,532
Tanzania	4,432	3,922
Uganda	13,629	12,861
Zambia	39,063	58,168
Zimbabwe and Botswana	56,777	120,692
	<u>3,855,581</u>	<u>3,868,340</u>
OTHER EXPENDITURE		
Bank Charges	34	10
Audit Fees	5,640	5,532
	<u>3,861,255</u>	<u>3,873,882</u>

The above grants represent transfers made to overseas Salvation Army Territories to help fund the provision of allowances payable to retired Salvation Army Officers.

**THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2021**

6. TRUSTEES

Remuneration & Expenses

The directors of The Salvation Army International Trustee Company, the trustees, comprise senior Salvation Army officers, an employee who acts as Director/Company Secretary, and non-executive directors with specialist expertise. Taxable allowances and benefits, as well as trustee expenses are borne by The Salvation Army International Trust.

The non-executive directors did not receive any remuneration for their services.

7. AUDIT COSTS

The amount payable to the auditors for the audit of these financial statements amounts to £4,700 (2020: £4,610) excluding VAT.

8. TAXATION

As a registered charity, the Scheme is entitled to tax exemptions from tax available to charities on its income and gains.

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2021

9. INVESTMENTS

	Market Value 2021 £	Cost 2021 £	Market Value 2020 £	Cost 2020 £
(a) Listed Investments				
Bonds				
Government Bonds	705,180	631,735	928,404	631,736
Non-Government Bonds	22,819,115	22,538,673	25,073,368	22,181,923
	<u>23,524,295</u>	<u>23,170,408</u>	<u>26,001,772</u>	<u>22,813,659</u>
Equities				
UK Equities	13,290,511	11,670,248	10,740,929	11,339,134
Asian Equities	11,327,642	8,869,350	8,045,223	8,975,625
Australia Equities	-	-	1,654,179	1,053,840
European Equities	18,900,115	14,320,466	17,965,264	16,732,160
North America Equities	53,611,685	37,910,796	36,305,045	30,565,588
South America Equities	1,494,677	1,770,392	955,261	1,085,492
	<u>98,624,630</u>	<u>74,541,252</u>	<u>75,665,901</u>	<u>69,751,839</u>
Fixed Asset -Investments (See note 9(b))	<u>122,148,925</u>	<u>97,711,660</u>	<u>101,667,673</u>	<u>92,565,498</u>
Deposits				
Sterling Deposits managed by Sarasins	3,107,531	3,107,531	3,122,227	3,122,227
Cash held with Broker	231,438	231,438	242,665	242,665
	<u>3,338,969</u>	<u>3,338,969</u>	<u>3,364,892</u>	<u>3,364,892</u>
Total Investments	<u>125,487,894</u>	<u>101,050,629</u>	<u>105,032,565</u>	<u>95,930,390</u>
(b) Movement in Listed Investments				
Market Value at 1 April 2020	101,667,673		94,256,363	
Purchases in year	52,551,389		34,757,075	
Sales Proceeds	(58,022,850)		(29,813,895)	
Net Gains/(Losses) – Listed Investments	25,952,713		2,468,130	
Market Value at 31 March 2021	<u>122,148,925</u>		<u>101,667,673</u>	

10. DEBTORS

	2021 £	2020 £
Amount owed from the Salvation Army International Trust	254,544	-
Accrued Interest and Dividends	353,634	351,888
Funds Receivable from Territories	-	290,869
	<u>608,178</u>	<u>642,757</u>

11. CREDITORS

	2021 £	2020 £
Amounts owed to The Salvation Army International Trust	-	650,936
Accruals	120,927	111,321
Grants Payable	1,218,459	840,340
	<u>1,339,386</u>	<u>1,602,597</u>

THE SALVATION ARMY RETIRED OFFICERS ALLOWANCE SCHEME
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2021

12. FUNDS

	Brought Forward 01/04/2020	Income	Expenditure	Gains and (Losses)	Transfers Between Funds	Carried Forward 31/03/2021
	£	£	£	£		£
Unrestricted Funds	1,634,363	2,388,826	(4,282,419)	-	2,000,000	1,740,770
Restricted Funds	30,635	-	(30,635)	-	-	-
Expendable Endowment Funds	103,894,214	-	-	25,952,713	(2,000,000)	127,846,927
Total	105,559,212	2,388,826	(4,313,054)	25,952,713	-	129,587,697

	Brought Forward 01/04/2019	Income	Expenditure	Gains and (Losses)	Transfers Between Funds	Carried Forward 31/03/2020
	£	£	£	£		£
Unrestricted Funds	1,237,730	2,595,664	(4,199,031)	-	2,000,000	1,634,363
Restricted Funds	-	121,425	(90,790)	-	-	30,635
Expendable Endowment Funds	103,426,084	-	-	2,468,130	(2,000,000)	103,894,214
Total	104,663,814	2,717,089	(4,289,821)	2,468,130	-	105,559,212

The transfer between funds was agreed by the Trustees to ensure adequate unrestricted funds to pay existing and future creditors.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Expendable Endowments 2021 £	Total Funds 2021 £
Fixed Asset Investments	-	-	122,148,925	122,148,925
Net Current Assets	1,740,770	-	5,698,002	7,438,772
	1,740,770	-	127,846,927	129,587,697

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Expendable Endowments 2020 £	Total Funds 2020 £
Fixed Asset Investments	-	-	101,667,673	101,667,673
Net Current Assets	1,634,363	30,635	2,226,541	3,891,539
	1,634,363	30,635	103,894,214	105,559,212

14. RELATED PARTIES: TRANSACTIONS WITH CONNECTED TRUSTS

The Salvation Army International Trust is a connected trust and both Trusts have the same Trustee. Officers and Employees of the Salvation Army International Trust provide management services to the scheme which are not recharged.

The Retired Officers allowance scheme holds a current account and fixed term deposit account with Reliance Bank Ltd which is owned solely by The Salvation Army International Trust. Balances held at the year end at Reliance Bank Ltd amounted to £4.83m (2020: £1.49m).

Grants payable to overseas Salvation Army territories are set out in note 5 and grants receivable from overseas Salvation Army territories are set out in note 2. Each territory is governed through local registration(s) and separate legal entities however The Salvation Army remains under the oversight, direction and control of the General of The Salvation Army, as set out in greater detail in The Salvation Army Act 1980.

There were no other related party transactions.

