

THE SOLDIERS, SAILORS, AIRMEN AND FAMILIES ASSOCIATION - FORCES HELP

England & Wales · Charity number 210760

Details

Other names	SOLDIERS', SAILORS' AND AIRMEN'S FAMILIES ASSOCIATION, S S A F A FORCES HELP, SSAFA, ssafa, the armed forces charity
Status	Registered
Legal form	Other
Registered	1965-04-28
Register	View on the Charity Commission register

Contact

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Activities

Objects: TO RELIEVE THE NEED, SUFFERING AND DISTRESS OF THE FOLLOWING INDIVIDUALS, WHO IN EACH CASE SHALL SATISFY SUCH REQUIREMENTS AS THE COUNCIL MAY FROM TIME TO TIME SPECIFY BY REGULATIONS:1. MEMBERS AND FORMER MEMBERS OF ALL RANKS OF ALL BRANCHES OF OUR LAND SEA AND AIR FORCES ('BENEFICIARIES');2. ANY PERSON WHO IS DEPENDENT ON A BENEFICIARY;3. ANY PERSON WHO WAS DEPENDENT ON A BENEFICIARY WHILE THAT BENEFICIARY WAS ALIVE;4. ANY PERSON ON WHOM A BENEFICIARY IS DEPENDENT; AND5. ANY PERSON ON WHOM A DECEASED BENEFICIARY WAS DEPENDENT.

Activities: RELIEVING THE NEED, SUFFERING AND DISTRESS OF THOSE SERVING OR HAVE SERVED IN THE ARMED FORCES AND THEIR FAMILIES AND DEPENDANTS THROUGH- WELFARE ADVICE AND SUPPORT- HEALTH AND SOCIAL CARE/WELFARE SERVICES- HOUSING-SPECIALIST SERVICES TO MEET UNMET NEEDS OF ARMED FORCES COMMUNITY

Classification

- **How:** Makes Grants To Individuals, Provides Human Resources, Provides Services, Provides Advocacy/advice/information
- **What:** The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups

Geography

- Brunei
- Canada
- Cyprus
- Falkland Islands
- France
- Germany
- Gibraltar
- Ireland
- Italy
- Nepal
- Northern Ireland
- Portugal
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£105,826,000	£34,025,000	£128,273,000	384
2023-12-31	£34,120,000	£35,147,000	£53,535,000	395
2022-12-31	£33,035,000	£34,416,000	£56,757,000	393
2021-12-31	£40,242,000	£29,742,000	£63,051,000	351
2020-12-31	£34,479,000	£32,887,000	£41,883,000	354

Trustees

Name	Role	Appointed
Alexandra Milner		2022-01-01
Brigadier Timothy John Seal		2022-12-13
Charles Ness		2018-03-21
David Harley Athol ROWE		2012-06-14
Dr Angela Kathryn Holdsworth		2025-04-02
Edwin Keith Marriott		2024-03-19
Evelyn Strouts		2016-09-28
Kate Pennell		2021-07-15
Lady Alexandra Walmsley		2022-01-01
Nick Baughan		2021-07-15
Pravinkumar Navekar		2022-12-13
SIR SIMON JOHN BOLLOM KBECBFREng		2023-07-13

Linked charities

- THE ROYAL HOMES (210760-1)
- QUEEN ELIZABETH'S FUND (210760-2)
- BRIGHT TRUST FUND (210760-3)
- MAHARAJAH SINDHIA OF GWALIOR FUND (210760-4)
- BURMA WAR DONATION (210760-5)
- THE AIRCREW ASSOCIATION CHARITABLE FUND (210760-6)

THE SOLDIERS, SAILORS, AIRMEN AND FAMILIES ASSOCIATION - FORCES HELP

England & Wales - Charity number 210760

Accounts



ANNUAL REPORT

AND ACCOUNTS 2024

ssafa | the
Armed Forces
charity

NEVER BATTLE ALONE

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The Soldiers', Sailors', Airmen's and Families' Association - Forces Help
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London EC3R 8AD
ssafa.org.uk

Registered Charity Numbers
210760 (England and Wales)
SC038056 (Scotland)
149 (Gibraltar)
20202001 (Republic of Ireland)

Auditor
Moore Kingston Smith LLP, Statutory Auditor, Chartered Accountants, 9 Appold Street, London EC2A 2AP

Bankers
Coutts & Co
440 Strand, London WC2R 0QS

Royal Bank of Scotland Plc
West End Commercial Centre, 1st Floor, Argyll House,
T/O 246 Regent Street, London W1B 3PB

Investment Managers
BlackRock Investment Managers Ltd,
12 Throgmorton Avenue, London EC2N 2DL

Solicitors
Withers LLP, 20 Old Bailey, London EC4M 7EG

A MESSAGE FROM OUR NATIONAL CHAIR

Sir James Gildea founded SSAFA in 1885 with a clear mission to support service people, veterans and their families who find themselves in difficulty. 140 years later that mission remains, but the nature of the support required has changed dramatically. This year we helped more than 54,000 people. All this was possible by virtue of the dedication and hard work of more than 2,500 employees and volunteers who make up SSAFA.

Within this report, you'll find stories and figures that show the breadth of SSAFA's current work - from frontline services and partnerships to the progress made in fundraising and awareness.

2024 was a year of reflection and transformation across the charity, re-evaluating how we operate and how we must better connect with the public, engage supporters, and most importantly, meet the growing and complex needs of those we serve.

We've re-examined how we deliver services to better meet beneficiary needs and evolving volunteer aspirations. From this came the Network Delivery Programme (NDP), a new model of organising casework through regional hubs, relieving pressure on volunteers while improving service delivery. Trials in Wales and the East Midlands proved highly successful, and we are now rolling this out nationally over the next 1-2 years. The NDP will free volunteers to focus on welfare delivery while modernising our ways of working and making volunteer roles more accessible.

I am delighted that we won the RAF personal support and social work service in April 2024 and were awarded a five year contract. Our Cyprus contract has been extended for a further three years which provides continuity but also the opportunity to develop and improve our offering. These vital services will be further enhanced by new digital systems, enabling us to offer blended in-person and online support, evolving and improving accessibility and responsiveness.

During the year, we also refreshed our brand purpose: Never Battle Alone. This new statement captures our mission and aspiration that no one in the Armed Forces community should face life's challenges without support. Data from the regional marketing campaigns in the East Midlands and Greater Glasgow showed significantly raised awareness and provided valuable insights to inform future campaigns as we strengthen engagement with beneficiaries, supporters, and volunteers.

I mentioned the nature of support has changed dramatically. The average cost of support per case has increased significantly, reflecting the notable rise in complexity of support needs.

Against this backdrop of change and transformation, SSAFA's financial position has improved this year having closed our final salary pension scheme and received a surplus. This offers a valuable opportunity to strengthen our mission of long-term support to our beneficiaries. We are taking time to carefully consider how we might achieve this, ensuring every decision is thoughtful, responsible, and focused on lasting impact.

These changes and transformations are preparing the charity for a future where we are more resilient, more effective, and more connected. While our methods evolve, the dedication of our volunteers, staff, and partners remains unwavering. I am deeply grateful to them - and to our supporters - for ensuring we can continue to stand beside our Armed Forces community when it matters most so that they never battle alone.

Thank you.



Sir Simon Bollom
National Chair



WHO WE ARE AND WHAT WE DO

OUR VISION

A society in which the Armed Forces, veterans and their families can thrive.

OUR MISSION

SSAFA, the Armed Forces charity is a trusted source of support for serving personnel, veterans and their families in their time of need.

**OUR FIVE STRATEGIC
AIMS DELIVER OUR VISION
AND MISSION BY:**

1. Understanding need
2. Delivering consistent & effective support
3. Sustaining our resources
4. Raising our profile & strengthening our brand
5. Growing collaboration



OUR SSAFA NETWORK WORLDWIDE

We support regulars, reservists, veterans and their families in every county in the UK. Our volunteer network also extends abroad, with four branches and 11 serving community teams on military bases overseas.

**CROWN DEPENDENCIES
(Guernsey, Isle of Man and Jersey)**

3 - Branches

34
EMPLOYEE
LOCATIONS

NORTHERN IRELAND

1 Branch
1 Serving Community Team
1 Employee location

42
SERVING
COMMUNITY
TEAMS

REPUBLIC OF IRELAND

1 Branch
1 Employee location

80
BRANCHES

WALES

4 Branches
1 Serving Community Team
1 Employee location

OUR PRESENCE OVERSEAS

4 Branches
11 Serving Community Teams
8 Countries with community healthcare professionals
(35 countries receiving community healthcare).



HOW WE SUPPORT THE ARMED FORCES COMMUNITY

SSAFA, the Armed Forces charity is a trusted source of practical, emotional, and financial support for serving personnel, veterans and their families in their time of need.

SSAFA understands that behind every uniform is a person. And we are here for that person and their family, any time they need us and in any way they need us.

In 2024 our trained teams of volunteers and employees helped more than 54,000 people, including veterans, those currently serving (both regulars and reserves), and their families.



Serving families (regulars & reserves)



Helping Gurkha veterans and their families



Supporting older veterans



Overseas health and social care



Mentoring service leavers and their families



Military adoptive families



Volunteer-led welfare support



RAF personal support and social work



Families with additional needs and/or disabilities



Help for veterans in the Criminal Justice System and their families



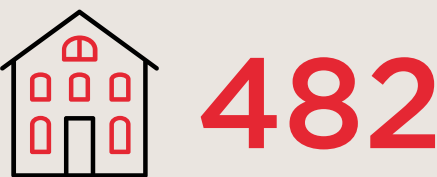
Military family support groups



Respite care for injured personnel and their families

OUR KEY 2024 SUCCESSES IN NUMBERS

OUR WELFARE SUPPORT



OUR SPECIALIST SUPPORT SERVICES



NEVER BATTLE ALONE

SSAFA recognises the important role it has in people's lives, and we need to consistently communicate this role, our purpose, the ambition we have for the world, and the goals we set out to achieve.

In 2024, we explored the effectiveness of our existing brand messages, while looking at how to evolve our brand for the future.

This work culminated in the launch of our new brand purpose, Never Battle Alone. It speaks directly to the camaraderie and support that come from being part of the Armed Forces. It also points to how hard it can be when that support isn't there – for a veteran returning to civvy street, or for serving personnel and families who simply feel they have no one to ask for help. When any member of the Armed Forces family faces their darkest challenges, SSAFA is there. That is why our new brand purpose is to reach and embrace our Armed Forces family, so they never battle alone.

Never Battle Alone was introduced across SSAFA's website and social media channels toward the end of 2024, with integrated marketing test campaigns that took place in the East Midlands and Greater Glasgow. It marked our first major step into brand building, and the insights garnered from these initial campaigns will now inform further activity in the years to come. Post-launch, SSAFA's marketing and communications are all reflective of Never Battle Alone, giving the charity a clearer and more prominent voice across every piece of content.

Last year in the media, SSAFA was seen, heard or read more than a potential 8.6 billion times, marking a 26.5% increase in reach from 2023, despite a 26.8% lower coverage volume of 3,121 media mentions.

Particularly inspiring was the story of two men from Berkshire who raised funds for SSAFA and a local mental health charity by running in Australia from Perth to Sydney, and completing multiple marathons over the distance. Not only did they set a new British record for the time taken but we secured 219 media mentions in national and regional press, and reached more than 10,500 through organic social media posts.

Our London Marathon coverage also created a large wave of interest and captured the pace and spirit set the previous year when Sam Hammond ran with a fridge on his back. The many stories of our runners resonated with the national and local press and reached a potential audience of 130 million people from 49 media mentions. Meanwhile SSAFA's flagship 13 Bridges Challenge event coverage showed the importance of good, strong and relatable stories to tell; it reached a potential audience of nearly 74 million people from 20 media mentions, including the BBC, and was an exponential increase on 2023.

The Never Battle Alone brand test campaigns and individual media moments helped to raise awareness of SSAFA across the UK in 2024, they increased trust and encouraged people to reach out for support, and to donate time and money.

KEY MEDIA STATISTICS

3,121
media mentions

26.5%
increase in reach

8.6 billion times
SSAFA was seen, heard or read



CASE STUDY

LEE & LAURENCE

Growing up in an area blighted by crime and gangs, Lee was desperate to take a different path. Ambitious and hungry for new experiences, he went against the grain and joined the Army.

A proud soldier, he thought he'd be a military man for life—until illness stopped him in his tracks.

Diagnosed with a neurological disorder and medically discharged, he was left grieving the career he thought he'd have. He asked himself: if he wasn't a soldier, who was he?

But leaving the military is more than just losing a job or your sense of self. You also lose your home.

Like many veterans, Lee had to quickly transition into a civilian life he wasn't prepared for. Without the practical experiences that most people take for granted – how to find a new home, how to set it up, or pay bills; he was quickly overwhelmed by the enormity of the change.

Compounded by family tragedy – he and his wife Louise lost their daughter Lily-Rose and two of their other children had been diagnosed with complex additional needs – Lee was at breaking point.

When life seemed at its most hopeless, SSAFA was there.

SSAFA, as the Armed Forces charity, has seen many veterans similarly challenged. And this vast experience enabled the SSAFA team to recognise that Lee needed urgent help, both practically and emotionally.

Quickly, Lee was assigned a mentor, Laurence.

Laurence was a veteran who knew only too well what a battle transitioning from military to civilian life could be. He had battled alone; he was determined Lee wouldn't.

Laurence soon became a confidante, and a safe place for Lee to share experiences, away from the pressure of his roles as a father and husband.

"I was able to share and talk with Laurence because I felt like we had shared trauma,"....."We've both been in the military. We've both left. We both know what's expected of a soldier, but only Laurence knew what was available to and expected of a veteran."

Having built a bond with Lee, Laurence set about helping him practically.

Laurence took charge on all fronts. He helped Lee secure a home, and secured SSAFA funding for carpets and a cooker. He organised the installation. And even sorted the fees to move Lee and family in.

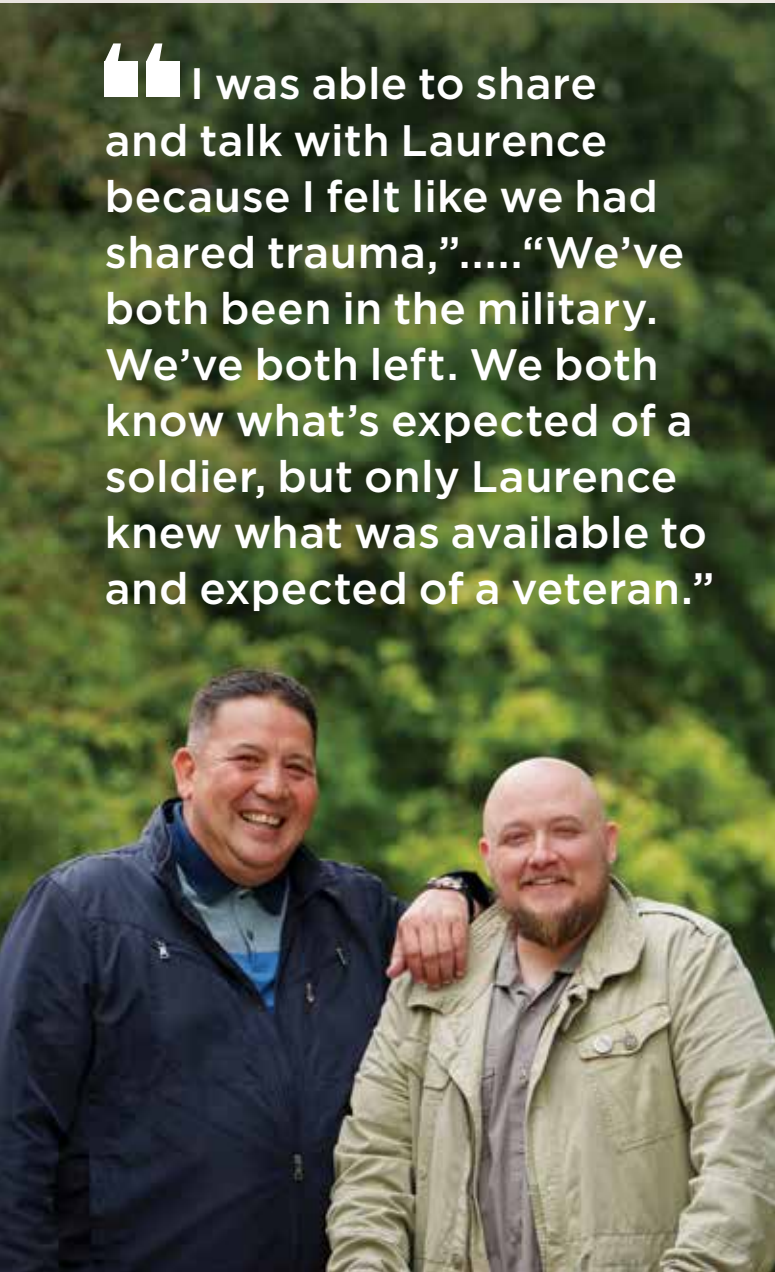
Laurence created a cosy home for Lee and his family where they could rebuild confidence and imagine a new future.

Today Lee has forged a new career path. In June 2025, he will be ordained a vicar in the Anglican church, watched on by a proud Laurence. The two remain firm friends.

When Lee didn't have a home, SSAFA found him one. When he was lost, we guided him. And when he needed a friend, we were there.

Just because someone stops wearing their uniform doesn't mean we stop caring.

Join us. Because no one should ever battle alone.



RAISING CRUCIAL FUNDS

In 2024, more than 3,000 individuals took part in our Challenge, Community and Special Events up and down the country and overseas. We recorded an increase of 26% on last year. In doing so, they inspired many more people to take part in our fundraising events, raised awareness and vital funds to ensure we remain a trusted source of support for serving personnel, veterans and their families, so they never battle alone in their time of need.

Our flagship 13 Bridges Challenge event saw more than 1,000 people sign up, with 703 doing so for the first time, from toddlers to an octogenarian, raising more than £125,000 for SSAFA.

In 2024 our fundraising events raised a total of £1.97 million, with our Challenge and in aid of events exceeding £1 million for the first time.

EVENTS HIGHLIGHTS

26%
more people took part in our events

1,270
people took part in Challenge and In Aid Fundraising Events

1,267
people took part in Special Events

377
people took part in Supporter Lead Events



SUCCESSFUL NETWORK DELIVERY PROJECT TRIALS

The Network Delivery Project (NDP) is a major initiative designed to improve our service delivery and reduce the administrative burden on volunteers. It will build upon our existing standards for financially sustainable, consistent, timely and quality assured welfare and wellbeing services, tailored to individual needs, to future proof our delivery.

In 2024, we successfully conducted two NDP trials in Wales and the East Midlands. The benefits identified during these trials include:

- A simplified casework delivery model that has reduced volunteer workloads;
- Improved oversight of volunteer casework and the volunteers' ability to connect with the relevant regional staff member;
- A reduction in the time taken to allocate cases;
- A reduction in the average number of days taken to complete a case; and a
- Significant improvement in the quality of cases.

Starting in 2025, the new NDP model will be rolled out across the charity on an incremental basis and by region. It will enable us to:

- Improve service delivery;
- Provide detailed data and analysis to support continuous improvement;
- Give evidence of our impact; and
- Share best practice.

“The new direction and associated governance changes will enable us to deliver a better service to our beneficiaries and enhance the volunteering experience.”

Simon Bollom, National Chair.

VOLUNTEER GOVERNANCE STRUCTURE CHANGES

In 2024, as part of a review of our services, we commissioned a report on our governance structure. The report looked at how we can better align our employee and volunteer structures to improve clarity and increase effectiveness.

Under the new structure the CEO and Volunteer Operations will be responsible for all volunteer activity. Regional Chairs will continue to engage with Branch Chairs and the volunteer community to improve community engagement, mentor volunteers, and ensure that the volunteer community is appropriately represented at Council.



OUR WELFARE GRANTS

Our 11 regional offices, both in the UK and overseas, provide local support and a single point of contact to our beneficiaries and our volunteer network of caseworkers. They are often the first point of contact for those who need us to help get their lives back on track.

There has been a steady increase in the number of routine case applications submitted to the Grants Team throughout the past three years. In 2024, the Grants Team received 877 assistance requests and provided £234,751 worth of total support to 682 individuals.

While the age group with the greatest number of beneficiaries remains consistent with 2023 - and those aged 30-39 needed the most support - people aged 40-49 were the second largest age group, followed by 50-59-year-olds. In 2023, the 50-59 age bracket was the second largest group behind 30-39, reflecting a shift in age demographics.

The top five areas of support provided in 2024 are similar to 2023:

- Brown goods;
- White goods;
- Priority debt;
- Funeral costs; and
- Mobility / Electric Powered Vehicles (EPV)

A key focus in 2024 was to raise awareness of the availability of our restricted funds across the network. This was achieved by presenting at Regional Office Forums and Inductions, strengthening relationships and collaborations across SSAFA. This resulted in more effective applications to restricted funds, ultimately benefitting more people.

CRISIS FUND REQUESTS INCREASE

The ongoing cost-of-living crisis has significantly impacted the lives of the Armed Forces family. Applications to our Crisis Fund, which enables our critical front-line services to give immediate financial assistance to those who are struggling the most, saw a 47% increase in requests for support.

In 2024 our Grants Team received the highest number of crisis applications since the fund's inception, surpassing even the total number of applications during the peak of the COVID-19 pandemic. During the year we processed 789 applications for support and distributed £64,722 in food and energy vouchers, compared to 536 applications and £43,731 awarded in similar support in 2023.

This increase follows a successful relaunch of the fund last year, which introduced a new process for providing food and energy vouchers.



CASE STUDY

GARETH

In the forces he'd travelled the world; now he was isolated, trapped inside four walls. Then SSAFA gave him his independence back.

In the forces he'd travelled the world; now he was isolated, trapped inside four walls.

Then SSAFA gave him his independence back.

Former Welsh Guard Gareth loved the army. Physically fit and proud to be one of the lads, he thrived on adventure.

Entering civvy street, Gareth struggled to find his place in the world until he started running pubs.

On the bar, he placed a SSAFA tin. They helped veterans who'd fallen on hard times, not veterans like him.

He was fortunate; he was strong; he was the life and soul of the community, until one day he wasn't.

Gareth suffered a life-changing heart attack and underwent surgery; he fought to survive.

Unable to run their pub, he and his wife Katherine lost their home, jobs and community.

They worked hard to rebuild their lives, hoping for better days.

But hope was short-lived as Gareth was diagnosed with cancer, undergoing 12 operations in a year.

As Katherine cared for their five children, Gareth withdrew. Stuck in bed, too weak to walk, he lost his independence. He was a prisoner behind his own door. In the army, he could call for backup; now, he fought on alone.

Their little girl struggling with anxiety stopped going to school, after bullies told her Gareth would die.

When the family reached breaking point, Gareth called SSAFA.

SSAFA caseworker Richard quickly became Gareth's lifeline 'Within a week, we were drawn into the SSAFA family.'

Richard secured funding for an electric bed and mobility scooter, opening up Gareth's world.

The bed allowed Gareth to get up without assistance, giving him dignity and Katherine respite.

The scooter means that he can make memories and be the dad he wants to be. His daughter, now happy in her new school, loves going to the prom with him.

Gareth now goes to veterans' reunions, where no one talks about cancer, but antics best forgotten.

Gareth and his family have many challenges ahead, but thanks to SSAFA, they're not alone.

When Gareth faced his toughest battle, we were there.

When he needed a community, we were it.

We don't stop caring just because you stop wearing a uniform.

Because no one should battle alone.

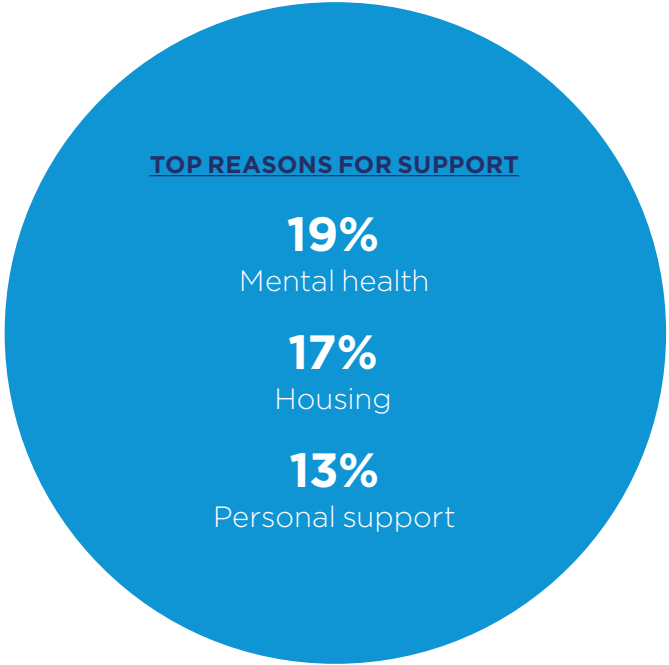


SSAFA's support has provided me with new determination to fight my illness."

PERSONAL SUPPORT AND SOCIAL WORK SERVICE

Our Personal Support and Social Work Service (PS&SWS) with the RAF is an MOD contracted service operating on RAF stations across the UK to provide practical and emotional support for service personnel and their families. This Service User focused confidential service operates outside of the RAF chain of command, and can help with mental health, difficult relationships, domestic abuse, financial and cost-of-living concerns, resettlement, housing, childcare, equality issues, bereavement, military discharge or deployments. In May 2024 we launched the Digital Welfare Hub which offers a variety of ways for people to access support, such as through Webchat, WhatsApp, email, Messenger and by calling us.

Throughout the year a total of 3,735 people were supported of which 86.47% were from the RAF, with the remaining 13.53% supported under the Tri-Service Agreement. This support included 3,356 consultations of which 1,234 were escalated to a referral, 253 Personnel on Recovery Duty referrals, and 126 were instances of Welfare Supervision provided by RAF HR personnel. Due to changes in the ways of working and reporting under the new RAF PS&SWS contract, which commenced in April 2024, direct comparisons with previous years are unavailable.



FORCESLINE

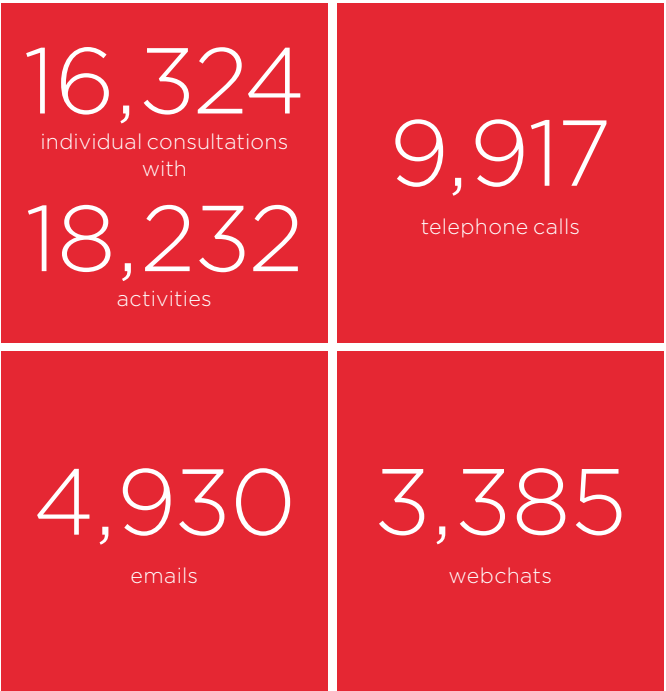
Forcesline is our free and confidential telephone helpline, online chat and email service that offers emotional support, a listening ear to serving or retired personnel, and their families who are feeling lonely, isolated or are struggling to cope with everyday life, and signposting to other organisations that may be able to offer assistance. It is outside of the chain of command, with a team that is ready to listen and not judge.

We are improving how we track and measure the impact of Forcesline, by starting to track unique visitors, ensuring we understand not just the volume of calls, but the individuals behind them. This represents a significant improvement in our ability to understand and address the specific needs of those we support. We are now reporting the number of distinct individuals we help, offering a more accurate reflection of the scope of our work. This may appear to show a lower number of people reached, but it is actually a much clearer picture.

It underscores our commitment to transparency, ensuring we provide funders, supporters and stakeholders with an accurate understanding of our impact.



In 2024, under the new reporting:





SERVING COMMUNITY TEAMS

The support provided by our Serving Community Teams increased by 500% in 2024, with 4,826 members of the serving community in 41 military bases nationwide and overseas receiving direct support. The rejuvenation within this area during the last few years, including the introduction of the Community Connections initiative, has enabled us to help even more people.

51% increase in the hours given by all our serving community volunteers to a phenomenal 13,603 hours.

4,600 people attended Community Connection events and activities run by our Community Connection Champions to help alleviate loneliness and isolation.

90 individual financial grants (3% increase) totalling £20,172. The most requested reasons were transport, subsistence, health and additional needs, accommodation and family life.

85 community grants (37% increase) totalling £34,013 awarded to the serving community, benefitting 15,920 people.

136 people supported by our Community Volunteers with practical and emotional support, that included signposting, practical help and befriending/listening ear services.

£59,379 raised (13% increase) by Serving Community Teams at a wide range of events and activities.

MENTORING

Our Mentoring programme helps motivate, support, build resilience and empower service leavers, their families or spouses to fulfil their potential outside of the military.

Our volunteer mentors provide long-term, face to face, one-to-one support during the transition period and for up to two years post discharge, walking alongside the individual or family, setting goals and offering guidance to support them in their new environment.

In 2024 we supported 1,532 people through our programme. This is an increase of 17% compared with 2023.



OVERSEAS HEALTHCARE

Our Community Health Team assists eligible personnel based overseas with the military; this includes military staff, civil servants, eligible contractor employees and entitled family members. The 'Population at Risk' is currently around 16,000 people across several overseas locations, including 8,000 based in Cyprus. In Brunei, the Community Health Team provides Midwifery and Health Visiting Services, whilst a Health Visiting Service is provided in Gibraltar, Kenya, Canada and SHAPE, Sennelager, Naples and the Central European Practice.

We are very proud that the Cyprus Community Healthcare Service contract was extended in 2024 for a further three years, to June 2027, and in January 2024, we started a new two-year contract to deliver Health Visiting Services to families in SHAPE, Sennelager, Naples and the Central European Practice.

KEY HIGHLIGHTS

695 new referrals (7.6% increase) for the Cyprus Community Health Team across Dietetics, SLT, CAMHS, Podiatry and CCN, with initial and follow-up consultations up 3.9% to 3,592 consultations.

Family Hub introduced on the SSAFA website for the health, development and wellbeing of families and children in our overseas community.

Public Health Campaigns across Cyprus and the Far Commands included Children's Mental Health Week, Additional Needs, and Get Active.

Electronic 'Birth Book' implementation in Cyprus



SUPPORT FOR THE WHOLE FAMILY

Our specialist family support services aim to meet the specific needs of Armed Forces families and are run by SSAFA employees with the assistance of our volunteers. When families face some of life’s darkest challenges, we provide wide-ranging support.

This includes home-from-home respite care for families of injured service personnel and short-term housing for victims of domestic violence and their families. We run a series of support groups that range from bereavement, those coping with suicide of a loved one, and families affected by injury. We also have a support forum for those with a family member with an additional need or disability, which offers them access to our short break holidays.



OUR SUPPORT GROUPS

All our support group members are family members of serving personnel or veterans who have died. We help these families face the greatest challenge of their lives, because no one should battle alone. In 2024:

- The **Bereaved Support Group (BSG)** embraced 15 new members and had eight attendees at the BSG meeting held in October 2024;
- **Military Families Affected by Suicide (MFAS)** had two new families join, and 10 members attended the MFAS support group held in February 2024;
- **112 members** attended a variety of events held throughout the year;
- We continued our association with the **Tragedy Assistance Programme for Survivors (TAPS)** and held an event at Wrexham AFC as well as a residential event with NFL UK.

OUR SHORT BREAKS

Our Short Breaks holiday provision - held at two Calvert Trust sites in the Lake District and on Exmoor - offers Forces families with additional needs and disabilities a fully-funded activity holiday tailored to their specific requirements. In 2024, we provided four Short Breaks that were attended by 46 families, with a total of 106 children and 85 adults benefiting from the breaks.

The adventure break gives families an opportunity to spend quality time together, try exciting new activities in a safe and secure environment, and to meet other families in similar situations.

There was one less short break in 2024 due to the potential closure of Calvert Exmoor, however it has been confirmed that the site will remain open. Therefore, all of our short breaks for 2025 have been booked at either Calvert Lakes in Cumbria or Calvert Exmoor in Devon.

THE FORCES FAMILIES WITH ADDITIONAL NEEDS FORUM

The tri-service Forces Families with Additional Needs and Disability Forum (FANDF) is for family members who have a child or adult dependent with additional needs or disability, or who have one themselves. Led by a committee of beneficiaries, FANDF’s vision is to ensure that all Forces families with additional needs receive tailored support.

In 2024, the growth of FANDF members continued with an increase of 18% to a total of 921 members. Throughout the year the team processed 290 enquiries relating to casework, short break holidays and membership. Although 2023 is comparable to 2024, there has been an increased complexity in the cases handled, particularly with supporting children.

Five most common additional needs of our new members in 2024 included:

- Autistic Spectrum Disorder;
- Learning Disability;
- Complex Medical Needs;
- Physical Disability; and those
- Currently undergoing diagnosis.

ADOPTION SERVICE CLOSURE

In November 2024, our adoption service was officially closed. Prior to this, three children, all from complex backgrounds, were successfully placed with adoptive military families during 2024 bringing the total of placed children to more than 300 over the last 25 years. Our existing families have now been transitioned to alternative providers and all our Adoption Records transferred to Local Authority archives in accordance with Ofsted guidance.



OUR HOUSING SERVICES

We offer a range of safe and comfortable housing options, including long-term accommodation for older and disabled veterans, as well as short-term housing for families of injured service personnel at Norton House, Stanford Hall and Fisher House (in partnership with the Fisher Foundation in Birmingham). Our Stepping Stone Home provides a secure, female-only place of safety for women and children of the Armed Forces family.

INDEPENDENT LIVING BUNGALOWS

At the end of the year we had five purpose-built independent living bungalows for veterans/partners or carers. The reduction in our property portfolio continued in 2024, with 14 bungalows in Barnsley accommodating 16 beneficiaries sold and leases for life provided to the residents..

FISHER HOUSE

We helped 888 people during the year at Fisher House, an increase of 29% on 2023, of which 375 had stayed previously and returned for ongoing treatment at Queen Elizabeth Hospital Birmingham (QEHb) or other local hospitals.

NORTON HOUSE, STANFORD HALL

482 patients, family members and friends were provided with a total of 819 nights' accommodation (up from 804 nights in 2023) whilst patients received treatment at the nearby Defence Medical Rehabilitation Centre (DMRC). We continued to see a greater mix of patients and families from across the services. We also provided support to a navy veteran and their family who required assistance in obtaining a grant for flooring, redecoration and winter clothing for their children.

Throughout the year we continued to raise awareness within the local community by taking part in various activities and attending Wellbeing and Veterans' Hubs in Leicestershire and the West Midlands.

"Thank you so much for this amazing facility and the very caring staff who are here. This is a calm in our family's storm. We are forever grateful."

THE ROYAL HOMES, QUEEN ALEXANDRA'S COURT

We have 84 residents, aged 30 to 99 years of age, in our independent living accommodation.

STEPPING STONE HOME

In 2024, 141 women and children were supported, with 25 women and 23 children provided with accommodation, and 93 women supported through our outreach community programme, a total increase of 38% on 2023. The number of enquiries we received increased by 11% compared to 2023.

The average length of stay has decreased, a positive sign in the current housing crisis. The daily average occupancy decreased to 66% (82% in 2023), but the number of people helped remained the same at 48, due to people moving on quicker than previously. However, there was an increase to 80% (74% in 2023) of beneficiaries who were experiencing domestic abuse.

We are grateful that Fujitsu continued its support for a sixth consecutive year. We also received a £30,000 grant from the Army Benevolent Fund and were granted a 2-year funding package by the Armed Forces Covenant Trust fund for mental health and wellbeing support.



CARL

A proud airman, Carl knew that military life was tough. He was trained for it, he was prepared, he could cope. But nothing could have prepared him for the news that his son might die. When Carl fought for his family, SSAFA stood beside him.

Carl knew that joining the RAF would secure his family's future, but for partner Sian and children Connor (13) and Kayla (8), swapping civvy street for a life on base hundreds of miles from home was tough.

Finding out Sian was pregnant brought the joy they desperately needed; it cemented their new chapter.

Those first few months whizzed by amidst the excitement of sharing the news, choosing names, and counting down to the first scan.

On the day they waited to hear the sonographers' congratulations, but it didn't come. Instead, the room fell silent and still.

Told their baby son was gravely ill with only a 10% chance of survival, they struggled to hold on to hope.

As surgeons operated on Sian to save the baby, Carl, crippled by fear, had to maintain normality for their other children. Each day worrying that it would be their son's last.

But tragedy doesn't stop the bills rolling in; on an entry-level wage, Carl fought to make ends meet.

New to the military, far from his parents, he felt alone.

It was when the pressure threatened to engulf him that his Flight Sergeant insisted he contact SSAFA.

SSAFA knows how hard it is for those who serve to be away from their families in their darkest time.

Carl was assigned a caseworker who provided a listening ear and took time to understand what the family were going through.

SSAFA knew that alleviating the financial strain would allow Carl to focus on the important things, like supporting his wife. Funding Carl's petrol, his hospital parking fees, and the family's food bills took a weight off his shoulders.

In time Baby Harvey was born, and after life-saving surgery and two weeks in intensive care, he came home.

He is now a happy and healthy little boy who, thanks to the military, has seen more of the world than most! Carl now knows he definitely made the right decision joining the military but in those early days of doubt, SSAFA was there.

When Carl called for help, we answered.

When he was alone, we were his Co-pilot

When he was overwhelmed, we relieved the pressure.

Because no one should ever battle alone



It was a comfort to know there was someone there to help."

MENTAL WELLBEING

Our Mental Wellbeing service is a single point of contact for our network of volunteer caseworkers and specialised services. In 2024, we also continued to promote wellbeing initiatives to ensure SSAFA looks after its employees by holding events focused on employee wellbeing, safeguarding, data protection and equality, diversity and inclusion practices. Employee engagement and wellbeing events included Stress Awareness Month, a Men's Health workshop, World Menopause Day, an LGBTQ+ workshop, and YuLife challenges that encouraged physical activity, cognitive engagement and mindfulness.



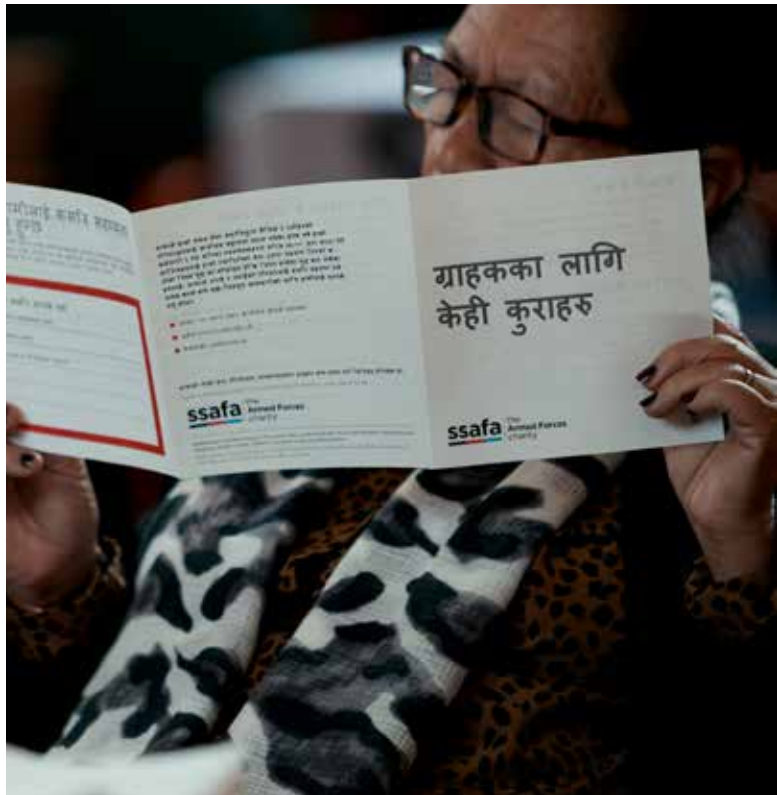
GURKHA COMMUNITY SUPPORT

Our Gurkha Services support serving and former serving members of the Gurkha Brigade and their families, though it is predominantly former serving members and their families who need our help. The typical age is 65 to 100 years old, with limited to no English language, so our dual-language team is able to support veterans and their families across the UK.

Key highlights from our Gurkha Services in 2024 include:

- Provision of £235,858 in financial assistance to 412 people through casework;
- A grand total of 2,037 non-financial cases were supported:
 - 251 people supported by our Outreach Workers with language support, housing, benefits, visas and the NHS;
 - 601 individuals helped at the Monday Greenwich Housing Surgery, a collaboration with the housing team and language support to help the community access housing advice;
 - 1,185 people supported at our drop-in surgery at Woolwich Library;
- Our Language and 'Feel Better Tuesday Class' has helped about 45 people a week, with 1,240 sessions attended through the year to teach practical language and education, also offering connectivity in the community to reduce isolation and loneliness.

Lastly, we conducted a needs analysis on the Gurkha Service to ensure we were meeting the needs of the community. This resulted in consolidating services to provide families with a single point of contact to access support. The team now consists of five staff, of which four are Nepalese, enabling us to fully understand the culture, needs and language.



VETERANS IN THE CRIMINAL JUSTICE SYSTEM

Our Veterans in the Criminal Justice System (VCJS) Support Service team had 2,872 interactions with veterans in prison in 2024. Our Prison In-Reach volunteers helped 260 veterans in group environments to foster social support among veterans, and conducted 1,107 one-to-one sessions that provided practical advice, financial assistance and signposting to other organisations and resources.

VCJS is operating within an increasingly complex landscape due to severe overcrowding in prisons. We have seen an increase in reported mental health issues, high neurodiversity amongst veterans, and homelessness upon release. The number of family members contacting SSAFA, worried about veterans in prison, has also increased.

GLASGOW'S HELPING HEROES

Glasgow's Helping Heroes, our partnership with Glasgow City Council, helps those who are serving or have served, and their families. In 2024, we supported 170 clients per month on average, the highest number of people ever helped. A record 475 people were helped across all areas, including 200 with housing needs and 159 with mental health support. This increase of 4.75% on 2023 was due to word-of-mouth awareness raising, networking and the creation of new projects.

The reduced availability of emergency accommodation from the Local Authority led to more people needing temporary hotel accommodation while waiting for Local Authority places to become available. We also saw an increase in the number of people facing homelessness in England arriving in Glasgow, to present as homeless and benefit from the Scottish homelessness legislation.



SUPPORTING OUR WORK

We are very thankful for the support our corporate partners have once again provided. Throughout the year they have given thousands of volunteering hours and hundreds of thousands of pounds in donations. Corporate support in 2024 included:

- **£76,000** from Boeing UK for our Mentoring service and to replenish the Boeing Crisis Fund which supports veterans and their families in urgent need;
- **£50,000** from BAE Systems to continue their support of Forcesline;
- **£49,000** from Annington Management for our Short Breaks;
- **£50,000** from Fujitsu to support our serving communities, mentoring and FANDF;
- **£53,000** and a 3-year agreement from MBDA to support mentoring and our Short Breaks;
- **£12,000** from Leonardo to support our refuge, community teams and FANDF;
- **£200,000** unrestricted donation from Sanctuary Housing and Johnnie Johnson housing;
- **£35,000** unrestricted funding from Aramark;
- **£686,072** fundraising and £200,000 in kind donation from the Vistry Group charity of the year (COTY) partnership;
- **£19,000** from Expedia Group;
- **£10,000** unrestricted from the Pallex Group; and
- **£141,000** from Landmarc including a 7-year commitment of funding for our mentoring service.
- Our commercial partnership with Hattons of London continued to support SSAFA raising more than **£40,000** with their 2024 Gold Sovereign Ranges – D-Day 80 and Britain’s WWII Aircraft legends.

NETWORK AND COMMUNITY FUNDRAISING

Our Network and Community team has made significant progress within the regions by identifying and developing new relationships covering a variety of income streams. The team has sourced and engaged with new donors, expanded fundraising networks and increased community activity, resulting in greater financial support as well as more interest and financial support from statutory grants funders. Regional income raised £524,866 to support the running costs of our regional offices.

The main fundraising events in 2024 included Kiltwalks with 267 participants, Chepstow Military Race Day, IronMan triathlon with 5 participants, and the Southerndown Golf Day with 56 golfers.

We are grateful for the donations received from The Stuart & Margaret Miller Charitable Trust, Norfolk County Council, John Scott Trust Fund, The Officers’ Association Scotland, Jenour Foundation, C31A (Corporate), and Proscenium Lodge.

TRUSTS AND FOUNDATIONS

We are incredibly grateful for the trusted and long-term partnerships we have with many funders. We continued key strategic partnerships with many organisations including the Army Benevolent Fund, the Army Central Fund, The Royal British Legion, the Royal Navy and Royal Marines Charity and Greenwich Hospital, and the RAF Benevolent Fund.

In 2024, we continued to work closely with the Armed Forces Covenant Fund Trust, The National Lottery Community Fund, Glasgow City Council, the Barbara Naylor Charitable Trust, and we began a new three-year partnership with the Julia Rausing Trust.

INDIVIDUAL GIVING

Continued investment in acquiring committed individual givers through face-to-face fundraising helped to grow our supporter base and significantly increase regular gifts to help us deliver vital services, as well as to plan for the long term. In 2024, individual giving income was in excess of £1.5 million , with our existing and new supporters giving generously through one-off donations and regular gifts.

MAJOR DONORS AND PHILANTHROPY SUPPORT

We have been humbled by the extraordinary generosity of our major donors throughout 2024, who have made a number of larger noteworthy gifts that will enable us to continue to reach out and embrace the Armed Forces family and create a society in which all serving personnel, veterans and their families can thrive. Our major donor and philanthropic supporters contribute to SSAFA’s strategic vision, and we have received extraordinary help so that we are well-placed to continue our work and be ready for change as the needs of the Armed Forces themselves change in these very uncertain times. We also received loyal support from the Livery Companies of the City of London. With the collaboration of our notable supporters, we were able to make 2024 another successful year.

LEGACIES

Gifts in Wills continue to be one of most significant types of income that enable us to do our work, now and into the future. We remain immensely thankful for the kindness and consideration so many of our loyal supporters have demonstrated by remembering SSAFA with a gift in their Will. In 2024, we received more than £3.7 million from 119 new legacy gifts, which included five gifts totalling £1,143,183.

Our Free Wills Month campaigns throughout the year offered our supporters the opportunity to have a Will written or updated for free, which many took up. Gifts in Wills made up 36% of our total voluntary income in 2024. Each legacy gift honours the past, supports the present, and helps to build a future where the Armed Forces community receives the support it deserves and never battles alone.



CELEBRATING DIVERSITY, EQUITY AND INCLUSION

SSAFA supports a diverse range of people within the Armed Forces family, and we believe that diversity within our teams is key to ensuring we deliver our services effectively.

Our Employee Support and Influence Network (ESIN) is one of the ways we celebrate diversity and foster inclusion within our workforce. Highlights from the ESIN in 2024 include a Menopause Café, hosted by our Menopause ESIN, and the relaunch of our Working Parents group.

And, to reach all employees and cover some key topics relating to Diversity, Equity and Inclusion (DEI), we focused on:

- Stress Awareness – April
- Men’s Mental Health – June
- LGBT+ Workshop – September
- World Menopause day – October
- SSAFA YuGames – November

Our People Team also enhanced and introduced policies to support DEI. We offer flexible working options to create an inclusive environment that recognises and respects the diverse circumstances of our workforce, and in 2024, the team received and processed more than 35 flexible working requests. We also amended the Children & Families policy to allow for the payment of accrued annual leave – above the statutory entitlement – after maternity leave, if not operationally viable to use the leave within the leave period otherwise. This supports employees in balancing their work and family responsibilities more effectively.

Lastly, we introduced mandated performance and development metrics in June. These metrics ensure consistent, transparent and evidence-based management across the organisation. This approach supports DEI by promoting fairness and equity, enhancing accountability, supporting inclusive development and increasing engagement and trust.

PARTICULAR THANKS GO TO

- Albert Hunt Trust
- Annington Management
- Aramark
- Armed Forces Covenant Fund Trust
- Army Benevolent Fund
- Army Central Fund
- BAE Systems
- Boeing UK
- Corps of Commissionaires Management
- Defence Medical Welfare Service
- E & N Watson Charity
- Expedia
- Fujitsu
- Glasgow City Council
- John Scott Trust Fund
- Julia Rausing Trust
- Landmarc
- Leonardo
- MBDA
- Muriel and Gershon Coren Charitable Foundation
- Norfolk County Council
- Pallex Group
- Peter Dixon Charitable Trust
- RAF Benevolent Fund
- Renfrewshire Council
- Royal British Legion
- Royal Engineers Association
- Royal Navy and Royal Marines Charity
- Sanctuary Housing
- Scott (Eredine) Charitable Trust
- The Barbara Naylor Charitable Trust
- Dr and Mrs J D Olav Kerr's Charitable Trust
- The B and P Glasser Charitable Trust
- The Gosling Foundation
- The James Stansfield Foundation
- The Light Dragoons
- The Livery Companies of the City of London
- The Michael Uren Foundation
- The National Lottery Community Fund
- Queen Mary's Roehampton Trust
- The Scottish Government
- The Steel Charitable Trust
- The Stuart and Margaret Miller Charitable Trust
- The Syncona Foundation
- The Walbrook Foundation
- The Zochonis Trust
- Trinity House Maritime Charity
- Vistry Group
- and those who wish to remain anonymous.



SSAFA’S GOVERNANCE STRUCTURE

This page provides an overview of SSAFA's governance structure.

SSAFA is governed by a Trustee body, referred to as SSAFA Council, with our National Chair the Chairman of Council.

Officers of the Association (National Chair, National Vice Chair, Deputy National Chair and Honorary Treasurer) and Members of the Council are all Trustees. They are incorporated as a body operating under the Association’s Royal Charter. One third of our Trustees are required to retire each year but are eligible for re-election by the Association.

Trustees are ultimately responsible for all matters concerning governance, strategic direction, legal operation and financial probity. They exercise authority only when making a majority decision at a duly constituted meeting of Council, comprising between seven and 17 members.

Our Chief Executive, known as the Controller, is responsible to the Charity’s Trustees for the management of SSAFA's global activities. The Controller chairs the Management Board, which oversees SSAFA's wide range of activities in support of the Armed Forces community.

PATRON His Majesty King Charles III	DEPUTY NATIONAL CHAIR Colonel Stephen Oxlade (ret. April 2025)
PRESIDENT HRH Prince Michael of Kent	Dr Angela Holdsworth (from May 2025)
VICE PRESIDENTS Mrs Wendy Burns Wing Commander Kirsty Bushell The Lady Dannatt The Baroness Fookes Lady Hockenhull Lieutenant Colonel Colin Hogg Lady Knighton Lady Sanders The Lady Walker	HONORARY TREASURER Mr David Rowe
	COUNCIL MEMBERS Mr Nick Baughan Mr Keith Marriott Ms Alex Milner Mr Pravinkumar Navekar Air Vice-Marshal Charles Ness Ms Kate Pennell Brigadier Tim Seal Mrs Evelyn Strouts
NATIONAL CHAIR Sir Simon Bollom	CHIEF EXECUTIVE OFFICER Lieutenant General Sir Andrew Gregory (ret. February 2025)
NATIONAL VICE CHAIR Wing Commander Kirsty Bushell (ret. September 2024)	Air Marshal Steve Shell (appointed April 2025)
Lady Walmsley (from September 2024)	SECRETARY AND CHIEF OPERATING OFFICER Mr Simon Blum

SSAFA’s Council meets on a quarterly basis and ensures the Charity is carrying out its purposes for the benefit of our beneficiaries, is accountable, and complies with our governing documents and the law, as well as ensuring our resources are managed responsibly. There are also several standing Council agenda items which include; Safeguarding, Fundraising & Marketing Communications, Equality Diversity & Inclusion, as well as Data Protection and Information Management - which is managed by an independent Data Protection Officer.

SSAFA COMMITTEES

SSAFA has several committees overseeing different work streams. Each is chaired by a Trustee with the intention of providing advice and support for our Council in governance, to achieve the objectives of the charity.

The following committees meet on a quarterly basis:

- Risk Committee, responsible for ensuring that SSAFA and its subsidiaries conduct their business to the highest standard of probity, reporting to Council thereon.
 - Finance Committee, responsible for ensuring that SSAFA's financial position is sustainable and advising Council accordingly.
 - Fundraising & Marketing Committee, responsible for advising Council on fundraising, marketing and communication matters, encompassing internal and external communications channels/platforms used, and focusing on their impact and effectiveness.
 - Regional Chairs Committee, a consultative non-executive body with responsibility for effective two-way communication and facilitation between Council, committees, volunteers and employees, reporting to Council.
 - Governance Committee, responsible for making decisions about governance, human resources, remuneration, honours and awards, reporting to Council.
 - Safeguarding Board, responsible for ensuring beneficiaries, volunteers and employees are kept safe and supported with policies, training and guidance when dealing with any safeguarding concerns and complex casework.
- Under the authority of Council, SSAFA operates three subsidiary companies:
- SSAFA Family Health Services,
 - SSAFA Forces Help Enterprises Limited,
 - SSAFA CMS Limited.
- For further information and governance details, please refer to page 36.

TRUSTEES' REPORT

We, the Trustees, are pleased to present the annual Trustees' Report and the consolidated financial statements of the Charity. These financial statements comply with SSAFA's governing document, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Act (Gibraltar) 1962-12, the Charities Act 2009 (Republic of Ireland) and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OUR CHARITABLE OBJECT AND ACTIVITIES FOR THE PUBLIC BENEFIT

SSAFA is a public benefit entity. The Trustees have given due consideration to the Charity Commission published guidance on the operation of the Public Benefit requirement, and confirm that SSAFA, the Armed Forces charity is a trusted source of support for serving personnel, veterans and their families in their time of need. There are only two criteria for assistance: eligibility and need.

Crucial to the successful delivery of all our charitable activities is a network of 2,234 volunteers across the globe. It is impossible to quantify the value of our volunteers' contribution in monetary terms, and therefore no amounts are recorded in the financial statements.

DURING 2024, SSAFA'S SERVICES FOCUSED ON:

Welfare advice and support — our network of regional offices and branches in local communities and serving community teams on military bases offers practical, financial and emotional support. We help serving personnel, both regulars and reserves, veterans and their families, with everything from financial hardship to family breakdown.

Tailored support services — our wide range of services are designed to meet the specific needs of the Forces community and are run by SSAFA employees, with support from teams of volunteers. We mentor service leavers and their families as they transition from the military to civilian life, support veterans and their families in the criminal justice system, provide a support service to the UK Gurkha veteran community and, with Glasgow City Council, provide welfare and wellbeing support to members of the Armed Forces family in

Glasgow. We also help veterans struggling with disability, sourcing practical items such as mobility aids or replacing household goods. Our free confidential helpline, Forcesline, provides a wide range of practical and emotional support to the Armed Forces community. We offer long-term accommodation for older and disabled veterans, and we have short-term accommodation available for families of injured service personnel, as well as for women and children affected by domestic abuse from families serving in the Armed Forces.

We run a series of support groups; ranging from families affected by injury or bereavement to those affected by the suicide of a loved one as well as a support forum, the Forces Additional Needs and Disability Forum (FANDF) for those in the military who have a family member with an additional need and/or disability. We also provide short break holidays for those Forces families with additional needs and disabilities. Until February 2024, we operated the UK's only adoption agency specifically designed for Armed Forces serving personnel. Following the closure of the agency all existing families have been successfully transitioned to alternative providers and a Military Permanence Advisor Role implemented.

Health and social care services — we provide community health care across several countries and overseas territories around the world - Cyprus, Brunei, Gibraltar, Canada, Germany, Belgium, the Netherlands, Italy and Kenya; with Norway, Turkey, France, Portugal, and Spain amongst those receiving remote support. These services range from Ministry of Defence (MOD) contracted community healthcare in Cyprus to grant-in aid health visiting in Kenya and midwifery in Brunei. We also provide personal support and social work services (PS&SWS) to the Royal Air Force (RAF) in the UK under contract to the MOD.

DELIVERING AGAINST OUR 2024 AIMS AND OBJECTIVES

In our 139th year we focused on creating a society in which the Armed Forces, veterans and their families can thrive. We are a trusted source of support for serving personnel, veterans and their families in their time of need. We achieve this through an exceptional range of complementary services, designed to meet specific beneficiary needs and delivered by skilled teams of employees and volunteers. Our purpose is to reach and embrace our Armed Forces family, so they never battle alone.

Our 2022-2027 strategy continues to enable us to become a yet more responsive, efficient and effective charity. Our five-year strategic plan aims deliver this through:

1. Understanding need
2. Delivering consistent and effective support
3. Sustaining our resources
4. Raising our profile and strengthening our brand
5. Growing collaboration

We understand the unique demands of service life, whether it's on UK soil or overseas, and will continue to drive progress against our strategic objectives and meet beneficiary need against a backdrop of change. Our core services, which focus on the needs of our beneficiaries, are met either through our volunteer casework, through our 'behind-the-wire' serving community volunteers meeting serving communities' needs, or through our specialist services.

A significant element of the Charity's activities is the granting of funds to eligible individuals, with many of those funds coming from our funders.

OUR ACHIEVEMENTS AND PERFORMANCE IN 2024

- SSAFA volunteers sourced £8.8million (2023: £10.1 million) through applications to military benevolent funds and other welfare charities, to assist our beneficiaries. In 2024, we supported 54,970 individuals with our charitable services (53,884 in 2023).
- The experience provided by SSAFA to our beneficiaries has been enhanced by our unified approach to accessing support services through our 11 fully operational regional offices in the UK and overseas. In 2024, our branches supported 7,106 cases (2023: 6,800) and carried out 2,832 visits (2023: 4,869) as well as providing comprehensive support and a single point of contact to both our beneficiaries and our volunteer network.
- Our 2,234 volunteers across our branch network, serving community teams and specialist volunteers donated invaluable time. The rejuvenation of our Serving Community Teams during the last few years, including the Community Connections initiative to solve issues of loneliness and isolation has led to a 500% increase in beneficiaries supported in 2024 to 4,826 people. The number of hours given by all our serving community volunteers during 2024 came to 13,603 hours, an increase of 51% on 2023.
- We are improving how we track and measure the impact of our confidential helpline, Forcesline, ensuring we understand not just the volume of calls, but the individuals behind them. This shift enables us to provide better support, make data-driven decisions, and demonstrate our impact more effectively. While this change may show at first glance a lower number of people reached, 16,324 compared to 31,375 helpline enquiries in 2023, it provides a much clearer picture of the unique number of individuals we help and how we are meeting their specific needs.

SOCIAL CARE OPERATIONS

The Personal Support and Social Work Service (PS&SWS) RAF is an MOD contracted welfare service run by a team of skilled and qualified employees from a range of disciplines, providing support to the RAF community on base. In 2024 there was a 29% decrease to 3,735 service users being supported, with 3,356 consultations, 1,234 referrals, 253 personnel on recovery duty referrals and 126 welfare supervision cases. The main areas for referrals support were mental health (19%), housing (17%) and personal support (13%). A new five-year contract for the service commenced on 1 April 2024.

MEASURING AND EVALUATING THE IMPACT OF OUR WORK

In line with the Charity’s strategic plan, demonstrating the impact of SSAFA’s services provided to our beneficiaries is key in allowing us to better understand the needs of the Armed Forces community and their families.

SSAFA’s approach to the measurement of these outcomes begins with developing a theory of change for each support service, which allows us to identify those outcomes we wish to explore. This forms the basis for an evaluation plan where we develop or use existing validated tools to demonstrate how we have helped our beneficiaries. We do this using a range of methods including outcome measures, feedback surveys, qualitative and economic studies, as our approach depends on the individual service’s need. SSAFA employs a continuous improvement approach when measuring impact which allows us to not only measure success but also learn how we can improve so that we continually develop our services.

Where appropriate, external evaluators measure the outcomes and impact of our services, with methods including surveys, interviews and focus groups. Exploring the impact of our services is a high priority for SSAFA and we are continuing to identify ways in which we can measure and demonstrate how we make a difference.

OUR COMMITMENT TO ENVIRONMENTAL SUSTAINABILITY

Since 2014, SSAFA has complied with the legal requirement to take part in the Energy Savings Opportunity Scheme (ESOS). Some of the savings identified by a qualified ESOS auditor have been completed, resulting in estimated savings of £1,077 per annum. Environmentally friendly savings outside of ESOS include transitioning to the use of green energy, improving insulation and boiler efficiency, and increasing the maximum allowance provided for lease cars to encourage selection of hybrid or fully electric vehicles. Online training, virtual meetings and home working practices have reduced the carbon footprint of SSAFA employees.

RAISING OUR PROFILE

SSAFA wants to be the ‘expert’ voice for the issues faced by the military community and seen as a trusted, passionate, professional support network and service provider. We will aim to grow and improve our brand presence to assist beneficiaries seeking help, target volunteers and employees who want to work for the Charity and grow one-off donors into life-long supporters of SSAFA.

FUNDRAISING FOR OUR WORK

In 2024, we raised £13.3 million (2023: £13.0 million) from donations, grants, legacies, events and trading activities, of which £1.3 million (2023: £1.7 million) was raised by volunteers in their local communities.

Our Fundraisers used a variety of in-person and virtual methods of fundraising resulting in an overall events income of more than £1.3 million (2023: £1.8 million). Our challenge and in-aid fundraising raised more than £1 million our highest ever figure in this area.

Legacy income of more than £3.8 million from 119 new legacy gifts, which included five gifts totalling a value more than £1.143 million. Gifts in Wills made up 36% of our total voluntary income in 2024.

Individual giving income increased 7.9% to more than £1.5 million; with existing and new individual donors giving generously through one-off cash donations, regular gifts and gift aid. Corporate partnerships raised more than £1.48 million, and Trading operations generated around £200,000 in sales and continues to attract new supporters to SSAFA.

Once again, we are incredibly grateful for the trusted and long-term relationships we have with many funders. We continued key strategic partnerships with many organisations including the Army Benevolent Fund, the Army Central Fund, The Royal British Legion, the Royal Navy and Royal Marines Charity and Greenwich

Hospital, and the RAF Benevolent Fund. We also continued to work closely with the Armed Forces Covenant Fund Trust, The National Lottery Community Fund, Glasgow City Council, and the Barbara Naylor Charitable Trust. In addition, we began a new three-year partnership with the Julia Rausing Trust.

We have been humbled by the extraordinary generosity of our major donors who have made several large noteworthy gifts that are an essential part of ensuring we can continue to provide our vital projects and services. Our major donors and philanthropic supporters also contribute to our strategic vision, and we have received extraordinary help this year to ensure that we are well placed to continue our work into future years and are ready for change as the needs of the Armed Forces themselves change during uncertain times. We extend a sincere and heartfelt thank you to all our donors; individual, corporate, grant-givers and commercial partners, as well as other collaborating organisations, and those who wish to remain anonymous, for their support. Our particular thanks go to the supporters shown on page 26 and those who wish to remain anonymous.

LOOKING TO THE FUTURE

The continued cost-of-living crisis and the shortage of housing, as well as geopolitical uncertainty increasing financial pressures, will mean many more in the Armed Forces community are facing hardship. Close attention to ensuring financial sustainability of the Charity is a priority for the Trustees and Senior Management team who will continue to closely monitor the impact of increased need on our income, expenditure, fundraising and communications.

We need to ensure that we continue to support our volunteers and employees, deliver outstanding services - both face-to-face and virtually - and strengthen cross-sector collaboration. To future-proof our vital work, and following successful trials, our Network Delivery Project (NDP) will be implemented across the charity in 2025 and 2026. The NDP will ensure we can provide financially sustainable, consistent, timely and quality assured welfare and wellbeing support to those who need it, in communities across the UK and overseas.

We need to meet the current and future, financial and social welfare needs faced by our serving and veteran communities. Many of these have been exacerbated and heightened by the cost-of-living crisis in our economy, society, and welfare services. Our Cost-of-Living Crisis Fund enables our critical front-line services to give immediate financial support to those who are struggling, and to relieve a major cause of their anxiety and stress.

We will continue to meet our contractual obligations to provide high-quality health and social care to the Armed Forces in the UK and overseas. We will respond to the reduction in contracted services income whilst maintaining our existing excellent standards of service, be creative in searching for solutions to fundraising activity and continue to be cost conscious.

Investment in fundraising and supporter engagement is vital to SSAFA’s future. Our fundraising strategy for 2022-2024 focuses on new supporter acquisition and engagement whilst ensuring our regional and community fundraising presence is strengthened.

We want to ensure we continue to raise awareness of our charity and our profile to drive external communications and generate the income needed in very challenging circumstances. We will still focus on our three communications objectives; raising awareness of the SSAFA brand and the different types of support we offer across the whole of the Armed Forces family, driving our fundraising and building our volunteer network through active recruitment.

FINANCIAL REVIEW

As required, the accounts have been prepared under Charity SORP (FRS 102). To meet the requirements of the Office of the Scottish Charity Regulator, a Statement of Activities (with supporting notes) has also been prepared for the Charity (as shown on page 43).

FINANCIAL OUTCOME

The Consolidated Statement of Financial Activities for the year shows that there was an overall surplus in the year before investment and actuarial gains and losses of £71.8 million (2023: £1.0 million deficit). This comprises a surplus on unrestricted funds of £69.4 million for the year (2023: £1.3 million deficit) and a restricted fund surplus of £2.5 million (2023: £0.2 million).

Donations and legacies received in the year were £6.9 million (2023: £6.8 million) and £3.9 million (2023: £4.2 million) respectively. The costs of raising voluntary income were £1.0 million (2023: £0.9 million). The branches continue, through their volunteer network, to raise significant funds of £8.8 million (2023: £10.1 million) from service and other charities to assist a wide variety of Forces-related individuals in need. At 31 December 2024 £1.1 million (2023: £1.3 million) was being held as unalmonised grants for imminent distribution to the individuals for whom the funds were raised.

Health and welfare activities contributed £1.2 million (2023: £1.0 million) to the Group. This includes the activities of SSAFA Family Health Services, which is responsible under contract to the MOD for the delivery of health services. The group continues to provide the

RAF Personal Support and Social Work Services in the UK. Whilst income and expenditure decreased significantly, the margin reflects improved cost management initiatives.

As mentioned in the Chairman's Introduction, after the completion of a consultation with those affected, SSAFA withdrew from the London Pension Financial Authority defined benefit pension scheme. This resulted in a £68.7 million surplus being returned to SSAFA. This money has been invested according to our investment policy and gives SSAFA a sounder financial base for the ongoing changes to the delivery of our services.

INVESTMENT POLICY

SSAFA's investment policy is to produce the best financial return within an acceptable level of risk. The investment objective is to generate a return in excess of inflation over the long term whilst generating an income to support its cash flow needs.

SSAFA has a broad range of income sources that would allow it to continue with its activities were markets to fall. The key long-term risk is inflation, and the investment assets are invested to mitigate this risk. The Trustees understand that this is likely to mean that investment will be concentrated in real assets (equities and property) and that therefore the capital value will fluctuate. As a result, they are prepared to take more than a moderate amount of risk. SSAFA's investment assets can be invested widely and be diversified by asset class and by security. Asset classes can include cash, bonds, equities, property, hedge funds, structured products, private equity, commodities and any other asset that is deemed suitable as defined by the Charity Commission in CC 14. The Investment Policy has no ethical restrictions.

The majority of SSAFA's funds are invested in the Armed Forces Charity Growth & Income Fund, a fund specifically designed for service and ex-service charities. The objective of the fund is to achieve long-term growth of both capital and income. Performance of the fund is measured against a benchmark of 60% global equities, 20% global fixed income and 20%

overnight sterling at interest rate plus 3%. In 2024 the fund recorded a total return of 8.1%, which was below the benchmark for the second year. Since inception the fund has produced a total return of 7.3% pa compared to its benchmark of 7.5% pa after all costs. Dividends for the year were increased to 3.9%.

RESERVES POLICY

The 2021 census showed that there were 1.8m veterans in England & Wales and a further 200,000 in Scotland. SSAFA's beneficiaries include family members, taking the total to around 4 million. That number will slowly decline because the Armed Forces have grown smaller over the years, but the time horizon is increasing as people live longer. SSAFA's reserves underwrite not just its day-to-day operations but also ways of working designed for the long term.

In 2024 Trustees agreed a fundamental change to the way in which care is delivered to beneficiaries. This new approach will provide an increasingly professional service that meets the needs of all stakeholders. In doing so Trustees considered the financial resources required to achieve this and agreed that SSAFA needs to hold reserves that will allow it to respond to the challenges and opportunities that will inevitably arise during the process of change.

Therefore SSAFA's Reserves Policy will now be to "hold reserves that will allow Trustees to respond to challenges and opportunities that will arise whilst the change to delivery of care is being rolled out". The amount cannot be quantified.

This policy will mean that SSAFA should be able to effect the changes planned, fund annual core running costs in a crisis and be confident that it can meet the long-term need from its 4 million potential beneficiaries. Trustees have learnt from other charities that have not had sufficient reserves to make the changes needed to meet the needs of their beneficiaries.

- At 31 December 2024, the Charity held total funds of £128.3 million (2023 - £53.5 million).
- At 31 December 2024 the Charity held restricted funds not available for general purposes of £8.8 million (2023 - £6.4 million). This includes fixed assets of £296,000 (2023 - £299,000).
- At 31 December 2024 the Charity held designated funds of £1.4 million (2023 - £ 1.4 million) for use as and when qualifying need arises.
- At 31 December 2024, the level of unrestricted reserves which were not represented by fixed assets was 5.3 years of running costs (2023: 1.9 years).

- At 31 December 2024, the unrestricted general reserves (which include designated funds) that were not represented by fixed assets amounted to £113.3 million (2023: £40.2 million).

GRANT MAKING

Assistance from the unrestricted funds may be used only to relieve the need, suffering and distress of those eligible for our help, as described in the Objects of SSAFA. The Regulations of SSAFA do not permit our funds to be used for gifts, grants or subscriptions to charities, hospitals, schools or other funds, societies or institutions.

FUNDRAISING POLICIES

SSAFA carries out its core fundraising activities through a dedicated team of paid professional fundraisers managed from its London office, and through registered volunteers who engage in small-scale fundraising activities to help support branch-level activities.

SSAFA's central fundraising team generates income through a mix of grant, donation, contract, sponsorship and commercial activities. It also oversees regional and branch-level fundraising activities and provides support, training and guidance to its volunteer fundraisers to ensure that the Fundraising Code is followed, and that best practice and legal fundraising standards are applied consistently across the organisation.

As part of its activities to recruit individual supporters, SSAFA utilises payroll giving schemes and face-to-face fundraising on private sites. SSAFA engages three specialist Professional Fundraising Organisations (PFOs) to represent the Charity to support payroll giving and two PFOs to represent the Charity for face-to-face activity. All such agreements are subject to legal contract, including how data is collected, stored, processed and shared. SSAFA's merchandise and trading activities are managed through SSAFA Forces Help Enterprises Limited. Sponsorship and/or cause affiliated marketing partnerships are managed through commercial participation agreements.

MANAGING AND SAFEGUARDING DATA

SSAFA is dedicated to safeguarding the personal data entrusted to us by our volunteers and supporters, while ensuring strict adherence to rigorous governance and risk management standards. This includes obtaining the necessary permissions from supporters before collecting and using their personal data and giving supporters clear choices on how they receive communications from us.

We provide training to employees and volunteers on data protection and privacy. This includes guidance on how to handle personal data, how to spot and report suspicious activity and how to respond to a data breach. We regularly review and update our data protection policies to ensure they remain compliant with any changes to data protection laws.

In addition, privacy considerations are embedded at the start of all new projects, ensuring data protection principles are at the forefront of project design. As part of our commitment to maintaining the trust of our supporters we conduct a due diligence exercise on all third-party suppliers and data sharing agreements are in place with third-party organisations who support SSAFA's fundraising activities. This ensures that we only work with reputable suppliers who share our values and commitment to data protection. The confidentiality, integrity and availability of supporter data are of the utmost importance to the Charity, and we are fully committed to implementing measures to ensure that supporter data is always kept safe and secure.

STRUCTURE, GOVERNANCE AND MANAGEMENT GOVERNING DOCUMENT

The Soldiers', Sailors', Airmen's and Families' Association - Forces Help, operating as SSAFA, the Armed Forces charity was established in 1885 under Royal Charter. SSAFA's Charter and Rules and Regulations were extensively revised in 2013 and approved by Council in January 2014. The Charter allows the Trustees to establish Regulations for the day-to-day management of the Charity. SSAFA is registered as a charity in England and Wales (Number 210760) in Scotland (Number SCO38056), in the Republic of Ireland (Number 20202001) and in Gibraltar (Number 149).

TRUSTEE INDUCTION AND TRAINING

Regulations require that each Trustee attends an introductory briefing. Each Trustee must attend formal annual training including Data Protection, Safeguarding and Diversity & Inclusion.

MANAGEMENT PAY

The Governance Committee is responsible for reviewing and deciding any salary increases applicable to all employees including all levels of management. The Charity does not operate a performance related salary or bonus scheme. Any proposed changes to management pay will consider the remuneration of comparable internal roles and external roles in similarly sized charities.

SSAFA’s median gender pay gap remains low at 2.43% (2023: 2.25%) and continues to be considerably lower than the national median gender pay gap of 13.1% (2024, ONS ASHE).

SUBSIDIARY CHARITIES

The Charity has two subsidiary Charities: The Royal Homes, regulated under a Charity Commission Scheme in 1998 and the Aircrew Association Charitable Fund, regulated under a Charity Commission Scheme in 2012. Both are administered as part of SSAFA as a result of these schemes, and their results are included within the results of the Charity.

SSAFA OPERATIONAL ENTITIES

Under the authority of Council, SSAFA operates three subsidiary companies. Each company is run for the benefit of the Charity by paid employees who fill the key posts of Managing Director, Chief Operating Officer and Company Secretary, and includes Trustees as additional external members of the Board. Each Company reports as required to Companies House.

- SSAFA Family Health Services, a company limited by guarantee not having a share capital, Registered Number 3137764, was established to provide community health, social work and other services for the Armed Forces worldwide.
- SSAFA Forces Help Enterprises Limited, a company limited by shares, Registered Number 2493614, was established as a trading company to sell Christmas cards and other merchandise and enter into other non-charitable commercial arrangements.
- SSAFA CMS Limited, a company limited by shares, Registered Number 11148036, was established to develop and maintain “CMS” a software tool for use by the majority of military charities for managing casework within the military charity sector.

OTHER CHARITABLE JURISDICTIONS

In order to operate in Scotland, SSAFA has been registered with the Office of the Scottish Charity Regulator Register of Charities under number SC038056. In order to operate in Gibraltar, SSAFA has been registered with the Charity Commissioners for Gibraltar Register of Charities under number 149. In order to operate in the Republic of Ireland, SSAFA has been registered with the Charities Regulator under number 20202001.

RISK MANAGEMENT

The Controller’s Management Board meets monthly and reviews the Risk Register to ensure compliance. The Risk Committee reviews the Risk Management Policy and Register at each meeting. Areas of significant risk are reported to Council at each meeting. Council then seeks assurance from the Controller that all mitigating action is being or has been taken. In addition, Council formally approved the appointment of Mazars LLP as internal auditors and agreed a risk-focused internal audit plan with them, covering a variety of areas (including finance) across the organisation. The reviews have identified that financial sustainability is the main financial risk for both the Charity and its subsidiaries.

PRINCIPAL RISKS AND UNCERTAINTIES ARE MANAGED BY:

- having detailed financial planning and processes in place to ensure oversight and ongoing monitoring of the financial position;
- detailed contract planning. A principal financial risk facing the Charity’s subsidiary, SSAFA Family Health Services, is related to the expiry of contracts with the MOD to provide healthcare and social work services.. The Company’s Board is monitoring the situation and continuing to look for new opportunities; and
- ensuring that branches’ and serving communities’ volunteers have appropriate financial and other training and support available to them to aid them with the raising, recording, monitoring and the distributing of funds in delivering assistance to SSAFA’s many beneficiaries.

The Group has some transaction and currency exchange rate risk given its international spread of activities. The objective of the Group in managing its liquidity risk is to ensure that it can meet its liabilities when they fall due. The Group expects to meet its financial obligations through operating cash flows. In the event that operating cash flows would not cover all the Group’s financial obligations, Council is comfortable that suitable credit facilities are available.

The Group may offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. Certain Group entities are subject to risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by strong on-going customer relationships.

Council is content that measures are in hand to manage and minimise all significant risks.

AUDITOR

The Trustees believe it is good practice to re-evaluate their professional advisers periodically but have also informed Moore Kingston Smith LLP that its proposals to be re-appointed will be welcomed.

TRUSTEES’ RESPONSIBILITIES STATEMENT

The Trustees are responsible for preparing the annual Trustees’ Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 and regulations made thereunder, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 1962-12 (Gibraltar) and the Charities Act 2009 (Republic of Ireland) require the Trustees to prepare financial statements for each financial year.

The Trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the Group, and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period.

In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity’s and Group’s transactions, and disclose with reasonable accuracy at any time the financial position of the Charity and the Group and enable them to ensure that the financial statements comply with the Charities Act 2011 and regulations made thereunder, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity (Accounts and Reports) Regulations 2008, the Charities Act (Gibraltar) 1962-12 , the Charities Act 2009 (Republic of Ireland) and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and the Group and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Approved by Council on 17 June 2025

And signed on 17 June 2025 by

INDEPENDENT AUDITOR’S REPORT

To the Trustees of The Soldiers’, Sailors’, Airmen’s and Families’ Association – Forces Help (SSAFA)

OPINION

We have audited the financial statements of SSAFA, the Armed Forces charity (the ‘parent charity’) and its subsidiaries (the ‘group’) for the year ended 31 December 2024 which comprise the Group Statement of Financial Activities, the Charity Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group’s and the parent charity’s affairs as at 31 December 2024 and of the group’s and parent charity’s incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 parent 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 auditor’s report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees’ annual report.

We have nothing to report in respect of the following matters where the Charities Act 2011 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the Trustees’ Annual Report is inconsistent in any material respect with the financial statements;
- the parent charity has not kept sufficient and proper accounting records;
- the parent charity’s financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees’ Responsibilities Statement set out on page 37, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group’s and parent charity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or parent 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 sections 151 of the Charities Act 2011 (England and Wales), 50 of the Charities Act 2009 (Republic of Ireland) and 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for

our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charity’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the group or parent charity to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the parent charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the Charity and considered that the most significant are the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the Charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

USE OF OUR REPORT

This report is made solely to the Charity’s Trustees, as a body, in accordance with Section 154 of the Charities Act 2011, Section 50(1) of the Charities Act 2009 (Republic of Ireland), and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity’s Trustees those matters we are required to state to them in an 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Moore Kingston Smith LLP
Statutory Auditor
Date: 17 June 2025
9 Appold Street
London
EC2A 2AP
Moore Kingston Smith LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Total 2023 £'000
INCOME FROM:							
Donations and legacies	1	8,866	1,952	10,818	8,385	2,591	10,976
Charitable activities							
Contributions — service/other charities	2	-	8,788	8,788	-	10,124	10,124
Health and welfare	2	5,899	439	6,338	6,150	413	6,563
Care and accommodation	2	406	600	1,006	477	554	1,031
Adoption services	2	-	-	-	465	-	465
Total charitable activities		6,305	9,827	16,132	7,092	11,091	18,183
Other trading activities							
Fundraising activities		2,141	156	2,297	1,672	91	1,763
Commercial activities		220	-	220	299	-	299
Total trading activities		2,361	156	2,517	1,971	91	2,062
Investments	3	2,713	164	2,877	1,933	99	2,032
Other income	4	70,564	2,918	73,482	867	-	867
Total income		90,809	15,017	105,826	20,248	13,872	34,120
EXPENDITURE ON:							
Raising funds							
Fundraising activities	5	3,544	-	3,544	3,414	-	3,414
Raising voluntary income	5	1,008	-	1,008	876	-	876
Other trading activities	5	126	-	126	156	-	156
Total raising funds		4,678	-	4,678	4,446	-	4,446
Charitable activities							
Supporting clients	5	10,554	11,325	21,879	10,294	12,188	22,482
Health and welfare	5	4,774	395	5,169	5,176	378	5,554
Care and accommodation	5	1,242	836	2,078	1,122	1,010	2,132
Adoption services	5	89	100	189	458	50	508
Total cost of charitable activities		16,659	12,656	29,315	17,050	13,626	30,676
Other expenditure	5	32	-	32	25	-	25
Total expenditure		21,369	12,656	34,025	21,521	13,626	35,147
Net gains/(losses) on investments	10	2,765	172	2,937	(2,123)	15	(2,108)
Net income/(expenditure) before fund transfers		72,205	2,533	74,738	(3,396)	261	(3,135)
Transfer between funds	11	134	(134)	-	(196)	196	-
Other recognised gains and losses							
Actuarial losses on defined benefit pension	23	-	-	-	(87)	-	(87)
Net movement in funds		72,339	2,399	74,738	(3,679)	457	(3,222)
RECONCILIATION OF FUNDS							
Total funds brought forward	17	47,090	6,445	53,535	50,769	5,988	56,757
Total funds carried forward	17	119,429	8,844	128,273	47,090	6,445	53,535

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Total 2023 £'000
INCOME FROM:							
Donations and legacies	1	9,439	1,952	11,391	9,443	2,591	12,034
Charitable activities							
Contributions — service/other charities	2	-	8,788	8,788	-	10,124	10,124
Health and welfare	2	-	439	439	-	413	413
Care and accommodation	2	406	600	1,006	477	554	1,031
Adoption services	2	-	-	-	465	-	465
Total charitable activities		406	9,827	10,233	942	11,091	12,033
Other trading activities — Fundraising		2,141	156	2,297	1,672	91	1,763
Investments	3	2,710	164	2,874	1,930	99	2,029
Other Income	4	74,906	2,918	77,824	5,543	-	5,543
Total income		89,602	15,017	104,619	19,530	13,872	33,402
EXPENDITURE ON:							
Raising funds							
Fundraising activities	5	3,504	-	3,504	3,385	-	3,385
Raising voluntary income	5	1,006	-	1,006	874	-	874
Total raising funds		4,510	-	4,510	4,259	-	4,259
Charitable activities							
Supporting clients	5	10,205	11,325	21,530	9,967	12,188	22,155
Health and welfare	5	818	395	1,213	988	378	1,366
Care and accommodation	5	1,242	836	2,078	1,121	1,010	2,131
Adoption services	5	89	100	189	458	50	508
Total cost of charitable activities		12,354	12,656	25,010	12,534	13,626	26,160
Other expenditure	5	3,556	-	3,556	3,792	-	3,792
Total expenditure		20,420	12,656	33,076	20,585	13,626	34,211
Net gains/(losses) on investments	10	2,765	172	2,937	(2,123)	15	(2,108)
Net income/(expenditure) before fund transfers		71,947	2,533	74,480	(3,178)	261	(2,917)
Transfers between funds	11	134	(134)	-	(196)	196	-
Other recognised gains and losses							
Actuarial losses on defined benefit pension	23	-	-	-	(87)	-	(87)
Net movement in funds		72,081	2,399	74,480	(3,461)	457	(3,004)
RECONCILIATION OF FUNDS							
Total funds brought forward	17	46,784	6,445	53,229	50,245	5,988	56,233
Total funds carried forward	17	118,865	8,844	127,709	46,784	6,445	53,229

The Charity Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

CONSOLIDATED GROUP AND CHARITY BALANCE SHEETS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
As at 31 December					
FIXED ASSETS					
Tangible assets	12	6,423	7,140	6,423	7,140
Investments	13	107,962	37,040	107,972	37,050
Total fixed assets		114,385	44,180	114,395	44,190
CURRENT ASSETS					
Investments	14	1,768	1,262	1,768	1,262
Debtors	15	6,438	4,797	6,071	4,731
Stock	23	-	12	-	-
Cash at bank and in hand		9,082	6,887	8,309	6,048
		17,311	12,958	16,148	12,041
Creditors: Amounts falling due within one year	16	(3,423)	(3,603)	(2,834)	(3,002)
Net current assets		13,888	9,355	13,314	9,039
Net assets excluding pension liability		128,273	53,535	127,709	53,229
Defined benefit pension scheme liability	23	-	-	-	-
NET ASSETS	17	128,273	53,535	127,709	53,229
FUNDS					
Unrestricted funds — general	17	118,067	45,644	117,503	45,338
Unrestricted funds — designated	17	1,362	1,446	1,362	1,446
Unrestricted funds — pension reserve	17	-	-	-	-
Total unrestricted funds	17	119,429	47,090	118,865	46,784
Restricted funds	17	8,844	6,445	8,844	6,445
TOTAL FUNDS	17	128,273	53,535	127,709	53,229

Approved by Council on 17 June 2025 and signed on 17 June 2025 by:



Sir Simon Bollom
National Chair



Mr David Rowe
Honorary Treasurer

The accompanying accounting policies and notes on pages 46 to 69 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £'000	2023 £'000
Net cash provided by/(used in) operating activities	A	62,427	(3,239)
Cash flows from investing activities			
Dividends, interest and rents from investments	3	2,877	2,032
Proceeds on disposal of fixed assets		5,413	704
Acquisition of fixed assets		(31)	-
Purchase of investments	13, 14	(69,798)	(1,269)
Proceeds from sale of investments	13	1,307	750
Net cash (used in)/ provided by investing activities		(60,232)	2,217
Cash inflows from financing activities			
Repayment of borrowings		(1,100)	(500)
Bank loans		1,100	-
Change in cash and cash equivalents in the year		2,195	(1,522)
Cash and cash equivalents at 1 January		6,887	8,409
Cash and cash equivalents at 31 December		9,082	6,887

Notes to the Consolidated Statement of Cash Flows	2024 £'000	2023 £'000
A. Reconciliation of net expenditure to net cash flow from operating activities		
Net income/(expenditure) for the year	74,738	(3,135)
Adjustments for:		
Depreciation	12	121
Profit on disposal of fixed assets		(4,786)
(Gains)/losses on investments	10	(2,937)
Dividends, interest and rents from investments	3	(2,877)
(Increase)/decrease in stock		(11)
Decrease in creditors	16	(180)
Pension contributions	23	-
(Increase)/decrease in debtors	15	(1,641)
Net cash provided by/(used in) operating activities	62,427	(3,239)

Analysis of changes in net funds	At 1 January 2024 £'000	Cash flows £'000	At 31 December 2024 £'000
B. Analysis of cash and cash equivalents and net debt			
Cash	6,887	2,195	9,082
Borrowings			
Debt due within one year	-	-	-
	6,887	2,195	9,082

PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies are summarised below

BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2022) second edition issued October 2022 and the Financial Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a ‘true and fair’ view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a ‘true and fair view’. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2022) second edition issued October 2022 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared in the Group’s functional currency, Sterling (£) and are stated in £’000s.

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

BASIS OF CONSOLIDATION

The financial statements consolidate those of the Charity and its subsidiary undertakings drawn up to 31 December each year. The results and balance sheets of the subsidiaries controlled by the Charity have been consolidated on a line by line basis. Control is achieved where the Charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Branch and committee accounts (including those overseas) have been included in the Charity’s and consolidated financial statements on a receipts and payments basis but adjusted for any accruals or prepayments where material.

CHARITY STATEMENT OF CASH FLOWS

The Trustees have taken the exemption available under Para 1.11 of FRS 102 not to present a separate Charity Statement of Cash Flows.

GOING CONCERN

The financial statements have been prepared on the basis that the Charity is a going concern. The Trustees consider that there are no material uncertainties about the Charity’s ability to continue as a going concern. The Charity had £119.4 million in unrestricted funds at 31 December 2024. The Trustees therefore consider that the Charity has adequate resources to sustain operations for the foreseeable future.

The Charity has access to a Revolving Credit Facility (RCF) to ensure that it can meet all its liabilities in the event of reduced incoming cash flows. The Trustees therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

INCOME

All income whether restricted or unrestricted is recognised in the Consolidated Statement of Financial Activities when the Group has entitlement to the funds, the amount can be quantified reliably and it is probable that the income will be received.

Donations and other income generated from fundraising are recognised gross on a receivable basis. In the event that the donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and gifts in kind are recognised as income when the Charity has control over the item or service, any conditions associated have been met, the receipt of economic benefit from the use by the Charity is probable and when economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the time of the Charity’s many volunteers is not recognised. However, refer to the annual Trustees’ Report for details of their substantial contribution to the Charity.

Legacies are recognised once the receipt of the legacy becomes probable and quantifiable. Pecuniary legacies are usually recognised at the point that probate is granted. For residuary legacies, this will usually be at the earlier of cash receipt or when confirmation has been received from the representatives of the estates that payment will be made or property will be transferred and once all the conditions attaching to the legacies have been fulfilled. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material (see note 19).

Investment income is recognised when receivable.

Grants receivable from service funds and other charities for specific cases, which have not been almonised at the end of the year, are accrued and included as current liabilities. These amounts will be paid in the following year or returned to the relevant providers.

Fundraising income arises from a mixture of events and activities undertaken on a central and branch-wide basis and is recognised when receivable.

Health and welfare includes income generated from the provision of health and social care services to British Forces personnel and their dependants around the world. In calculating revenue on contracts, the Group makes certain estimates in respect to the compliance with performance-related indicators which the

contracts are subject to. A different assessment may result in a different value being determined for revenue.

Care and accommodation income is generated through the provision of these services to the Charity’s beneficiaries at a number of residential homes and cottages held by the Charity, and income from residential fees and other services is recognised when the income has been earned.

Adoption income arises through the provision of an adoption agency service for placing children with military families and is recognised when placements have been secured. The adoption serviced ceased to operate in 2024.

Other income includes the surplus on the exit from the defined benefit pension scheme and profit on sale of fixed assets.

EXPENDITURE AND THE BASIS OF ALLOCATION OF COSTS

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

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings within the costs of raising funds and charitable activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity.

Costs of raising funds are those incurred in attracting voluntary income (including through the holding of events, appeals and other fundraising initiatives), and those incurred in generating income from trading activities.

COSTS OF CHARITABLE ACTIVITIES INCLUDE THE FOLLOWING:

Grant payments made to or on behalf of individuals in the furtherance of the Charity’s charitable object.

Grant-aided activities relate to costs associated with providing health and social care services to British Forces personnel and their dependants in far commands.

Health and welfare expenditure includes the direct costs of the welfare department at central office, with allocated communication and marketing costs, volunteer support costs (including training), branch and committee case work costs and branch office and staff costs in the provision of advice and assistance to those in need. This expenditure relates to the core services to British Forces personnel and their dependents around the world.

Care and accommodation expenditure primarily relates to the running costs of the Charity’s homes and other accommodation, and the care services provided to the Charity’s beneficiaries therein.

Adoption expenditure relates to staff and sessional staff costs together with departmental running costs and facilitation of the Adoption Panel.

Support costs include central functions, such as management, finance, human resources and information technology. Governance costs are those associated with running the Charity, including Council and Committee expenses, audit and other costs associated with constitutional and statutory

requirements. Support and governance costs are allocated across the categories of costs on the basis of staff numbers engaged in the activities therein as shown in note 6. The administrative charges for the provision of grant-aided activities and the provision of health and welfare services are calculated in accordance with the contractual agreements and directly charged to the relevant cost categories.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets (excluding investment properties) are stated at cost and depreciated in equal instalments from either the date of purchase or the date brought into use at the following rates:

Land	Nil
Freehold buildings	50 years
Long leasehold buildings	50 years
Furniture and fittings	5 years
IT equipment	3 years

Additions to furniture, fittings and IT equipment valued at less than £2,000 are fully written off as revenue expenditure in the year of purchase unless they form part of a larger-scale project.

INVESTMENT PROPERTIES

Investment properties for which fair value can be measured reliably on an ongoing basis are measured at fair value annually with any change being recognised in the Consolidated Statement of Financial Activities.

IMPAIRMENT OF ASSETS

At each year end, fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared to its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of Financial Activities.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Financial Activities.

INVESTMENTS

Listed investments are included at bid price (which is deemed to be market value) at the balance sheet date and the Consolidated Statement of Financial Activities shows net investment gains and losses arising from revaluation of the investment portfolio and disposals during the year. Realised gains and losses on investments are calculated as the difference between the sales proceeds and their market value at the start of the year or their subsequent cost and are charged or credited to the Statement of Financial Activities in the year of disposal. Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on market value at the year end.

Investments in subsidiaries are held at cost less impairment in the individual Charity financial statements.

Social investments include investment in other charities which have charitable objects in common with SSAFA and are measured at cost less impairment in the financial Statements of both the individual Charity and the Group.

Amounts held on short-term deposit with banks with maturity dates of between three months and a year are recognised at cost in current asset investments.

FINANCIAL INSTRUMENTS

Both Group and Charity have only financial assets and financial liabilities of a kind that qualify as basic financial instruments.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

CREDITORS AND PROVISIONS

Short term trade creditors are measured at the transaction price, other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using an appropriate discount rate. The unwinding of the discount is recognised as a finance cost in the surplus or deficit in the period it arises.

FUNDS ACCOUNTING

Unrestricted funds

General funds are unrestricted funds that are available for use at the discretion of Council in furtherance of the objectives of the Charity.

Designated funds are unrestricted funds set aside at the discretion of Council for specific purposes. Details of designated funds held are given in note 17.

Restricted funds

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose and the restriction means that the related funds can only be used for the specific activities. Details of restricted funds held are given in note 17.

Except for The Royal Homes fund, no interest on cash balances is allocated to restricted funds, and no overheads or support costs are allocated except where material costs are incurred by a specific fund. Interest earned on restricted funds and most overhead and support costs if reasonably allocated are considered to be of low value. For both unrestricted and restricted funds, both the income and any investment gain or loss have been allocated to the individual funds holding the investment.

Any Gift Aid recovered on donations is treated as part of the related gift in either unrestricted or restricted funds respectively, unless the donor or the terms of the appeal have specified otherwise.

OPERATING LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership of the leased assets to the Group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the Consolidated Statement of Activities on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Group recognises annual rent expense equal to amounts owed to the lessor.

FOREIGN CURRENCY

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purposes of the consolidated financial statements, the results and financial position are presented in Sterling (£).

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates to the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of the historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the Consolidated Statement of Financial Activities in the period in which they arise.

CONTRIBUTIONS TO PENSION SCHEMES

The Group operated a defined benefit pension scheme that required contributions to be made to a separately administered fund until 31 March 2024 when the Group exited the scheme.

In October 2024 the Trustees of the Local Government Pension Scheme made a discretionary payment of £68.7 million.

The Group also operates a defined contribution scheme which is a multi-employer scheme for which the assets and liabilities cannot be identified separately for the Group members. Pension costs charged in the Consolidated Statement of Financial Activities represent the contributions payable by the Group in the year.

TAXATION

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable object.

Corporation tax is chargeable on the profits generated by the subsidiary companies. These liabilities are recorded in the subsidiary company financial statements and relief against liabilities claimed on distribution of the profits to the parent charity.

Irrecoverable value-added tax is allocated to the category of expenditure to which it relates.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

In the application of the Group’s accounting policies, which are described above, Council are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

CRITICAL JUDGEMENTS IN APPLYING THE GROUP’S ACCOUNTING POLICIES

NHS defined benefit pension scheme

The Group does not have sufficient information to account reliably for its share of the defined benefit obligation and plan assets and has therefore accounted for the scheme as a defined contribution scheme.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Accrued legacy income

The Group adopts a prudent approach to accounting for legacies to which it is entitled but which have not been realised as cash. For those legacies where there is uncertainty surrounding the measurement of the assets due to a lack of estate accounts no provision is made. Where estate accounts exist but include properties which are not . All estate values are estimated net of administration fees of 5% (2023 - 5%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000
1. DONATIONS AND LEGACIES						
Group						
Donations	5,015	1,929	6,944	4,266	2,559	6,825
Legacies	3,851	23	3,874	4,119	32	4,151
	8,866	1,952	10,818	8,385	2,591	10,976
Charity						
Donations	5,588	1,929	7,517	5,324	2,559	7,883
Legacies	3,851	23	3,874	4,119	32	4,151
	9,439	1,952	11,391	9,443	2,591	12,034

The Charity received donations from its subsidiary companies of £986,000 in respect of 2024 results (2023: £1,490,000).

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000
2. INCOME FROM CHARITABLE ACTIVITIES						
Group						
Contributions from services and charities for individuals	-	8,788	8,788	-	10,124	10,124
Community health and social services — overseas	-	439	439	-	413	413
Health and welfare contracts	5,899	-	5,899	6,150	-	6,150
Group health and welfare	5,899	439	6,338	6,150	413	6,563
Care and accommodation contributions						
Stepping Stone Homes	230	-	230	272	-	272
Residential homes and cottages	76	-	76	108	-	108
Royal Homes	-	600	600	-	554	554
Other	100	-	100	97	-	97
Group care and accommodation contributions	406	600	1,006	477	554	1,031
Adoption income	-	-	-	465	-	465
Total income from charitable activities	6,305	9,827	16,132	7,092	11,091	18,183
Charity						
Contributions from services and charities for individuals	-	8,788	8,788	-	10,124	10,124
Community health and social services — overseas	-	439	439	-	413	413
Care and accommodation contributions						
Stepping Stone Homes	230	-	230	272	-	272
Residential homes and cottages	76	-	76	108	-	108
Royal Homes	-	600	600	-	554	554
Other	100	-	100	97	-	97
Charity care and accommodation contributions	406	600	1,006	477	554	1,031
Adoption income	-	-	-	465	-	465
Total income from charitable activities	406	9,827	10,233	942	11,091	12,033

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000
3. INCOME FROM INVESTMENTS						
Group						
Listed investments	1,795	150	1,945	1,099	99	1,198
Bank deposits and unquoted investments	96	14	110	27	-	27
Rental income	822	-	822	807	-	807
Total investment income	2,713	164	2,877	1,933	99	2,032
Charity						
Listed investments	1,795	150	1,945	1,099	99	1,198
Bank deposits and unquoted investments	93	14	107	24	-	24
Rental income	822	-	822	807	-	807
Total investment income	2,710	164	2,874	1,930	99	2,029

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000
4. OTHER INCOME						
Group						
Disposal of fixed assets	1,868	2,918	4,786	619	-	619
Surplus on exit from defined benefit pension scheme	68,676	-	68,676	-	-	-
Other finance income on defined pension surplus	-	-	-	213	-	213
Other income	20	-	20	35	-	35
Total other income	70,564	2,918	73,482	867	-	867
Charity						
Disposal of fixed assets	1,868	2,918	4,786	619	-	619
Surplus on exit from defined benefit pension scheme	68,676	-	68,676	-	-	-
Management charges to subsidiary undertakings	838	-	838	838	-	838
Salary charges recharged to subsidiary	3,524	-	3,524	3,838	-	3,838
Other finance income on defined pension surplus	-	-	-	213	-	213
Other income	-	-	-	35	-	35
Total other income	74,906	2,918	77,824	5,543	-	5,543

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

5. EXPENDITURE	Activities undertaken directly £'000	Support costs (see note 6) £'000	Total 2024 £'000	Total 2023 £'000
Group				
Raising funds				
Fundraising activities	3,493	51	3,544	3,414
Raising voluntary income	85	923	1,008	876
Other trading activities	126	-	126	156
	3,704	974	4,678	4,446
Charitable activities				
Supporting clients	19,096	2,783	21,879	22,482
Provision of 'Grant Aided' activities	365	30	395	378
Health and welfare	3,956	818	4,774	5,176
Care and accommodation	1,712	366	2,078	2,132
Adoption services	150	39	189	508
	25,279	4,036	29,315	30,676
Other expenditure	32	-	32	25
Total resources expended	29,015	5,010	34,025	35,147

Fundraising includes the cost of 'attracting' all voluntary income into the Group.

Charity	Activities undertaken directly £'000	Support costs (see note 6) £'000	Total 2024 £'000	Total 2023 £'000
Raising funds				
Fundraising activities	3,453	51	3,504	3,385
Raising voluntary income	85	921	1,006	874
	3,538	972	4,510	4,259
Charitable activities				
Supporting clients	18,754	2,776	21,530	22,155
Provision of 'Grant Aided' activities	365	30	395	378
Health and welfare	-	818	818	988
Care and accommodation	1,712	366	2,078	2,131
Adoption services	150	39	189	508
	20,981	4,029	25,010	26,160
Other expenditure - payroll costs for subsidiary companies	3,556	-	3,556	3,792
Total resources expended	28,075	5,001	33,076	34,211

Fundraising includes the cost of 'attracting' all voluntary income into the Charity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

5. EXPENDITURE cont.

SUPPORTING CLIENTS - WELFARE AND GRANTS PAYABLE	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000
Group						
Casework	9,645	10,681	20,326	9,588	11,506	21,094
Specialist services	785	644	1,429	582	682	1,264
Military Wives Choirs	124	-	124	124	-	124
	10,554	11,325	21,879	10,294	12,188	22,482

All grants were paid to or on the behalf of eligible individuals.

SUPPORTING CLIENTS - WELFARE AND GRANTS PAYABLE	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000
Charity						
Casework	9,296	10,681	19,977	9,261	11,506	20,767
Specialist services	785	644	1,429	582	682	1,264
Military Wives Choirs	124	-	124	124	-	124
	10,205	11,325	21,530	9,967	12,188	22,155

OTHER EXPENDITURE	2024	2024	2024	2023	2023	2023
Group	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Loan interest	32	-	32	25	-	25
	32	-	32	25	-	25

OTHER EXPENDITURE	2024	2024	2024	2023	2023	2023
Charity	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Payroll costs for subsidiaries	3,524	-	3,524	3,767	-	3,767
Loan interest	32	-	32	25	-	25
	3,556	-	3,556	3,792	-	3,792

The administrative charges for the provision of 'grant-aided' activities and the provision of health and welfare services charge include support costs and are calculated in accordance with the contract agreements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

6. SUPPORT COSTS	Management £'000	Finance £'000	Human Resources £'000	Information Technology £'000	Facilities £'000	Governance £'000	Total 2024 £'000	Total 2023 £'000
Group								
Raising funds	19	78	178	345	302	52	974	844
Charitable activities								
Grants payable	56	222	511	986	861	147	2,783	2,499
Care and accommodation	7	29	67	130	114	19	366	251
Adoption	1	3	7	14	12	2	39	102
	83	332	763	1,475	1,289	220	4,162	3,696
				Health and welfare services			818	818
				Grant-aided activities			30	30
				Total support costs			5,010	4,544

Charity	Management £'000	Finance £'000	Human Resources £'000	Information Technology £'000	Facilities £'000	Governance £'000	Total 2024 £'000	Total 2023 £'000
Raising funds	19	76	178	345	302	52	972	842
Charitable activities								
Grants payable	56	215	511	986	861	147	2,776	2,492
Care and accommodation	7	29	67	130	114	19	366	250
Adoption services	1	3	7	14	12	2	39	102
	83	323	763	1,475	1,289	220	4,153	3,686
				Health and welfare services			818	818
				Grant-aided activities			30	30
				Total support costs			5,001	4,534

Governance costs include:	2024 £'000	2023 £'000
Council, AGM & Committee expenses	4	3
Annual reports	5	3
Audit	75	73
Legal and professional	81	80
Apportionment of employee costs	55	62
	220	221

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

7. NET INCOME/(EXPENDITURE)	2024 £'000	2023 £'000
This is stated after charging/(crediting):		
Fees payable to the Charity's auditor		
Audit of the Charity's accounts	50	49
Audit of subsidiaries	25	24
Total audit fees	75	73
Non-audit fees: Taxation compliance services	5	5
Depreciation of tangible fixed assets	121	127
Expenditure on fixtures, fittings & equipment written off	151	112
Profit on disposal of fixed assets	(4,786)	(619)
Amounts paid under operating leases (see below)	121	60

The Group's future minimum operating lease payments are as follows:	2024 £'000	2023 £'000
Within one year	16	74
In two to five years inclusive	47	60

The Charity's future minimum operating lease payments are as follows:	2024 £'000	2023 £'000
Within one year	16	61
In two to five years inclusive	47	60

	Non MOD 2024 £'000	MOD 2024 £'000	Total 2024 £'000	Non MOD 2023 £'000	MOD 2023 £'000	Total 2023 £'000
8. EMPLOYEE AND STAFF COSTS						
Staff costs during the year were as follows:						
Wages and salaries	9,672	2,858	12,530	9,282	3,187	12,469
Social security costs	992	256	1,248	866	263	1,129
Other pension costs	835	216	1,051	747	198	945
Total staff costs	11,499	3,330	14,829	10,895	3,648	14,543
Agency locums and other contractors	239	238	477	510	232	742
Total labour costs	11,738	3,568	15,306	11,405	3,880	15,285

Redundancy costs of £80,000 (2023: £162,000) are included above. These are recognised when a constructive obligation arises. At the year end redundancy costs of £nil (2023 - £87,000) were accrued.

In addition, a great amount of time is donated by thousands of volunteers throughout the world. Trustees and employees are extremely grateful for this support without which the Charity would be unable to provide such a comprehensive range of services to beneficiaries. Due to the costs involved in quantifying this the Trustees do not consider it possible to reflect this in the financial statements.

	Non MOD 2024 Number	MOD 2024 Number	Total 2024 Number	Non MOD 2023 Number	MOD 2023 Number	Total 2023 Number
The number of employees paid by the Charity whose emoluments, excluding employer's pension contributions, exceeded £60,000 in the year were as follows:						
£60,001 to £70,000	6	1	7	7	-	7
£70,001 to £80,000	5	-	5	2	-	2
£80,001 to £90,000	3	1	4	2	1	3
£90,001 to £100,000	2	-	2	2	-	2
£100,001 to £110,000	1	-	1	-	-	-
£140,001 to £150,000	-	-	-	1	-	1
£150,001 to £160,000	1	-	1	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

8. EMPLOYEE AND STAFF COSTS Cont.

The key management personnel of the Charity comprise the Controller and the members of the Management Board. The cost of employing management personnel for the Charity was therefore £811,000 (2023: £816,000).

The average number of UK contracted staff throughout the year for the Group and the Charity, analysed by activity, was:

	Non-MOD 2024 Number	MOD Contracts* 2024 Number	Total 2024 Number	Non-MOD 2023 Number	MOD Contracts* 2023 Number	Total 2023 Number
Voluntary income	3	-	3	3	-	3
Raising funds	55	-	55	54	-	54
Grants payable	165	-	165	169	-	169
Care and accommodation	22	-	22	17	-	17
Adoption services	2	-	2	7	-	7
Health and welfare	-	96	96	-	104	104
Community health and grant-in-aid	-	9	9	-	8	8
Management and support	33	-	33	33	-	33
Total staff numbers	280	105	385	283	112	395

* Information for staff engaged in the provision of medical and social welfare services to the MOD has been provided to differentiate them from staff primarily engaged in the provision of services to beneficiaries.

9. TRUSTEE REMUNERATION

Trustees are not remunerated. They are reimbursed expenses or amounts are paid on their behalf for attending meetings and duties directly related to their duties as Trustees.

In 2024 total expenses of £4,000 (2023 £8,000) were paid for 7 Trustees (2023 - 9).
Trustee indemnity insurance is held as part of a wider policy covering staff and volunteers. The premium for Trustee insurance cannot be separately identified but is estimated at £2,500 (2023 - £2,500)

10. NET GAINS/(LOSSES) ON INVESTMENTS Group and Charity	Unrestricted £'000	Restricted £'000	Total 2024 £'000	Unrestricted £'000	Restricted £'000	Total 2023 £'000
Unrealised gains on listed investments	2,765	172	2,937	47	15	62
Fair value adjustment on investment properties	-	-	-	(2,170)	-	(2,170)
Total net gains/(losses) on investments	2,765	172	2,937	(2,123)	15	(2,108)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 202

11. TRANSFER OF FUNDS Group and Charity	Unrestricted 2024 £'000	Restricted 2024 £'000	Total 2024 £'000	Unrestricted 2023 £'000	Restricted 2023 £'000	Total 2023 £'000
Other transfers	134	(134)	-	(196)	196	-
Total transfers	134	(134)	-	(196)	196	-

12. TANGIBLE FIXED ASSETS Group and Charity	Freehold properties £'000	Long leasehold properties £'000	IT, furniture & equipment £'000	Total £'000
Cost				
At 1 January 2024	7,631	966	1,175	9,772
Additions	31	-	-	31
Disposals	(31)	(966)	-	(997)
At 31 December 2024	7,631	-	1,175	8,806
Depreciation				
At 1 January 2024	1,098	359	1,175	2,632
Charge for year	110	11	-	121
Eliminated on disposal	-	(370)	-	(370)
At 31 December 2024	1,208	-	1,175	2,383
Net book value				
At 31 December 2024	6,423	-	-	6,423
At 31 December 2023	6,533	607	-	7,140

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

13. INVESTMENTS	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Investments comprise:				
Freehold investment properties	7,771	7,771	7,771	7,771
Listed investments	99,929	29,008	99,929	29,008
Social investment	262	261	262	261
Investments in subsidiaries	-	-	10	10
	107,962	37,040	107,972	37,050
	Group Freehold £'000		Charity Freehold £'000	
Investment properties at fair value				
As at 1 January 2024 and 31 December 2024	7,771		7,771	

The freehold investment property, a part of the freehold SSAFA Headquarters property was revalued at 31 December 2023, based on a valuation undertaken by Jones Lang Lasalle, an independent valuer with recent experience in the location and classes of the investment properties being valued. The valuation was prepared in accordance with the RICS Valuation - Professional Standards, January 2014 as published by the Royal Institution of Chartered Surveyors on the basis of Fair Value for current use. The Trustees are satisfied that this valuation remains materially accurate as at 31 December 2024. NatWest Bank plc holds a charge over the property against which the Revolving Credit Facility is secured.

As set out in note 3, property rental income earned during the year was £822,000 (2023: £807,000). The freehold investment property is leased out under operating leases and the leasehold investment property formed part of a wider contractual arrangement. Direct operating expenses arising on the freehold investment property generated rental income in the year of £ 186,000 (2023 - £175,000).

At the balance sheet date, the Charity had contracted with tenants for the following future minimum lease payments:

	2024 £'000	2023 £'000
Within one year	559	392
In two to five years inclusive	696	1,114

Listed investments	Total £'000
Group:	
Market value:	
At 1 January 2024	29,008
Acquisitions	68,029
Receipts from disposals of investments	(45)
Realised and unrealised profits on revaluation	2,937
At 31 December 2024 – Group	99,929
Investment in subsidiary	10
At 31 December 2024 – Charity	99,939
Historical cost at 31 December 2024	91,213

	2024 £'000	2023 £'000
Listed investments are represented by:		
Armed Forces Charity Authorised Investment Fund Units	99,699	28,841
United Kingdom – Equities	230	167
	99,929	29,008

Investments within the portfolio which amount to more than 5% of total holdings as at 31 December 2024 were:

	2024 £'000	2023 £'000
Armed Forces Charity Authorised Investment Fund	99,699	28,841

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

13. INVESTMENTS Cont.		2024 £'000
Social investments		
At 1 January 2024		261
Investment		1
At 31 December 2024		262

Social investments are represented by interest-free loans given to the Military Wives Choirs Foundation, a Charity incorporated in England & Wales. Until 31 December 2023 SSAFA was the sole member of the Foundation, when it resigned and the Trustees of the Foundation became its members. The Military Wives Choirs Foundation runs over 70 choirs across the United Kingdom and overseas where there is a British military presence and provides welfare through singing to women in military families.

Subsidiary undertakings

As at the balance sheet date, the Charity owned the entire ordinary share capital (where applicable) of the following subsidiary undertakings:

Name	Holding	Activity
SSAFA Family Health Services	Limited by guarantee	Health and welfare services
SSAFA Forces Help Enterprises Limited	10,000 £1 ordinary shares	Sale of merchandise
SSAFA CMS Limited	100 £1 ordinary shares	Casework management system

Details of the subsidiaries' profit and loss accounts are as given below. These undertakings (excluding the charitable subsidiary) donate their taxable profits to the Charity each year.

The assets and liabilities of each subsidiary as extracted from the latest financial statements were:

	SSAFA Family Health Services		SSAFA Forces Help Enterprises Limited		SSAFA CMS Limited	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Total assets	824	715	149	209	558	295
Total liabilities	(292)	(521)	(112)	(92)	(555)	(293)
	532	194	37	117	3	2
Represented by:						
Share capital	-	-	10	10	-	-
Reserves	532	194	27	107	3	2
	532	194	37	117	3	2
The results for the year were:						
Income	5,956	6,207	232	352	454	442
Expenditure	(4,770)	(5,073)	(172)	(224)	(453)	(442)
Net income	1,186	1,134	60	128	1	-
Donation to charity under Gift Aid	(848)	(1,382)	(138)	(108)	-	-
Reserves brought forward	194	442	107	87	2	2
Retained in subsidiary	532	194	29	107	3	2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

14. CURRENT INVESTMENTS

Group and Charity	Short-term treasury deposits 2024 £'000
As at 1 January 2024	1,262
Additions	1,768
Disposals	(1,262)
As at 31 December 2024	1,768

15. DEBTORS

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Trade debtors	858	685	275	389
Amounts owed by subsidiary undertakings	-	-	248	304
Other debtors	46	44	-	-
Prepayments and accrued income	5,534	4,068	5,548	4,038
Total debtors	6,438	4,797	6,071	4,731

Amounts owed by Group undertakings are repayable on demand and no interest is payable. All amounts are due within one year.

16. CREDITORS

Amounts falling due within one year:

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Trade creditors	328	371	315	359
Other tax and social security costs	527	490	448	471
Other creditors	266	481	180	268
Unalmonised grants	1,089	1,289	1,089	1,289
Accruals and deferred income	1,213	972	802	615
Total creditors	3,423	3,603	2,834	3,002

The Charity has a revolving credit facility with Natwest Bank plc ending on 31 December 2025 to borrow up to £5 million, which is secured against freehold property. At the year end there were no amounts borrowed against this facility (2023 - £nil)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

17. FUNDS	Balance at 1 January 2024 £'000	Incoming resources £'000	Resources expended £'000	Other movements £'000	Transfers £'000	Balance at 31 December 2024 £'000
General funds	45,644	90,809	(21,285)	2,765	134	118,067
Designated funds						
Carmichael Walker Fund	398	-	(8)	-	-	390
Royal Patriotic Fund	1,048	-	(76)	-	-	972
Total designated funds	1,446	-	(84)	-	-	1,362
Pension reserve	-	-	-	-	-	-
Total unrestricted funds	47,090	90,809	(21,369)	2,765	134	119,429
Restricted funds						
Welfare and case grants	485	971	(1,180)	17	-	293
Housing	455	153	-	-	-	608
UK Armed Forces and other charities	-	8,788	(8,693)	-	(95)	-
UK Armed Forces 'grant-aided' activities	-	439	(395)	-	(44)	-
The Royal Homes	1,417	3,650	(836)	89	-	4,320
Miscellaneous branch funds	2,692	181	(225)	66	5	2,719
Adoption services	100	-	(100)	-	-	-
Welfare funds	1,296	835	(1,227)	-	-	904
Total restricted funds — Charity and Group	6,445	15,017	(12,656)	172	(134)	8,844
Total funds - Group	53,535	105,826	(34,025)	2,937	-	128,273
General funds						
SSAFA Family Health Services	(194)					(532)
SSAFA Forces Help Enterprises Limited	(110)					(29)
SSAFA CMS Limited	(2)					(3)
Total funds — Charity	53,229					127,709

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

17. FUNDS (continued)	Balance at 1 January 2023 £'000	Incoming resources £'000	Resources expended £'000	Other movements £'000	Transfers £'000	Balance at 31 December 2023 £'000
General funds	49,255	20,029	(21,233)	(2,124)	(283)	45,644
Designated funds						
Carmichael Walker Fund	400	6	(9)	1	-	398
Royal Patriotic Fund	1,114	-	(66)	-	-	1,048
Total designated funds	1,514	6	(75)	1	-	1,446
Pension reserve	-	213	(213)	(87)	87	-
Total unrestricted funds	50,769	20,248	(21,521)	(2,210)	(196)	47,090
Restricted funds						
Welfare and case grants	518	1,069	(1,102)	-	-	485
Housing	452	81	(78)	-	-	455
UK Armed Forces and other charities	-	10,124	(9,994)	-	(130)	-
UK Armed Forces 'grant-aided' activities	-	413	(378)	-	(35)	-
The Royal Homes	1,468	606	(932)	8	267	1,417
Miscellaneous branch funds	2,355	236	-	7	94	2,692
Adoption services	150	-	(50)	-	-	100
Welfare funds	1,045	1,343	(1,092)	-	-	1,296
Total restricted funds — Charity and Group	5,988	13,872	(13,626)	15	196	6,445
Total funds - Group	56,757	34,120	(35,147)	(2,195)	-	53,535
General funds						
SSAFA Family Health Services	(442)					(194)
SSAFA Forces Help Enterprises Limited	(80)					(110)
SSAFA CMS Limited	(2)					(2)
Total funds — Charity	56,233					53,229

Funds are held for use for the following purposes:

General funds

General funds are available for use at the discretion of Council to further the Charity's objectives.

Designated funds

Carmichael Walker Fund — for use on charitable activities in the North East of England.

Royal Patriotic Fund — having accepted the funds and obligations of the Royal Patriotic Fund Corporation on 27 May 2011, the assets attaining have been designated for the purposes of the Royal Patriotic Fund Corporation.

Restricted Funds

Welfare and case grants - includes funding received from the Armed Forces Covenant Fund for four projects, Short Breaks, Mutual Support, Mental Health First Aid and Mentoring.

Homes from Home Appeal - to provide funding for families visiting injured servicemen and women at Norton House

UK Armed Forces and other charities - contributions received from these bodies to provide grants to individuals for welfare purposes

UK Armed Forces-Grant Aided - received under grant in aid to reimburse the costs incurred in the provision of Community Health and Social Services

The Royal Homes - a charity providing residential facilities linked with the Charity's activities under a Charity Commission Scheme in 1998

Miscellaneous branch funds - funds which have been received by branches for specific use in their local areas

Welfare funds - income or capital received which may only be applied in the provision of welfare services to eligible individuals in need

Included under this heading is The Aircrew Association Charitable Fund, a subsidiary charity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

18. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	General 2024 £'000	Designated 2024 £'000	Restricted 2024 £'000	Total 2024 £'000
Fund balances at 31 December 2024 are represented by:				
Tangible fixed assets	6,127	-	296	6,423
Investments	104,630	390	2,942	107,962
Net current assets	7,310	972	5,606	13,888
Total net assets between funds	118,067	1,362	8,844	128,273

	General 2023 £'000	Designated 2023 £'000	Restricted 2023 £'000	Total 2023 £'000
Fund balances at 31 December 2023 are represented by:				
Tangible fixed assets	6,841	-	299	7,140
Investments	33,745	353	2,942	37,040
Net current assets	5,058	1,093	3,204	9,355
Total net assets between funds	45,644	1,446	6,445	53,535

19. CONTINGENT ASSETS

The Charity had no contingent assets at 31 December 2024. At 31 December 2023 the Charity had exchanged contracts for the sale of a plot of land with a contracted sale price of £2.9 million. The sale completed in June 2024 and the proceeds are included in other income (note 4).

20. CONTINGENT LIABILITIES

The Charity had no contingent liabilities either at 31 December 2024 nor at 31 December 2023.

21. CAPITAL COMMITMENTS

The Group had no capital commitments either at 31 December 2024 nor at 31 December 2023.

22. BANK GUARANTEE

The Charity has guaranteed overdraft facilities for its charitable trading subsidiary, SSAFA Family Health Services, up to £1 million. As additional security, the bank holds a debenture over the assets of SSAFA Family Health Services.

23. RETIREMENT BENEFITS

	2024 £'000	2023 £'000
Local Government Pension Scheme	16	87
Aviva Group Personal Pension Plan	1,033	865
NHS Pensions Scheme	6	5
Total contributions	1,055	957

Aviva Group Personal Pension Plan

SSAFA operates a defined contributions pension scheme for the benefit of SSAFA's employees. The assets of the scheme are administered by Trustees in a fund independent from those of the Charity. The charge for the year represents those contributions payable to the scheme in respect of the accounting period.

SSAFA had 314 active members in the scheme as at 31 December 2024 (2023: 318) and total pension scheme contributions outstanding at the year end amounted to £nil (2023: £81,000).

NHS Pensions Scheme

Following the transfer of staff to SSAFA from the MOD, SSAFA currently participates in the NHS Pensions Scheme. The NHS Pension Scheme is an unfunded multi-employer defined benefit scheme. The assets of the scheme are administered by NHS Pensions in a fund which is independent of SSAFA. The charge for the year represents those contributions payable to the scheme in respect of the accounting period. Entry into this scheme is strictly limited to employees transferring to SSAFA from the NHS and at 31 December 2024, the Association had 1 (2023:1) active members in this scheme.

The pension scheme contributions outstanding at the end of the accounting period amounted to £1,000 (2023: £1,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

23. RETIREMENT BENEFITS (continued)

Local Government Pension Scheme (LGPS)

Until 31 March 2024 SSAFA participated in a defined benefit scheme with contributions paid by the employer. The scheme was a multi-employer scheme administered by the London Pension Fund Authority (LPFA) and was only open to certain categories of SSAFA's employees. During 2023 the Charity formally gave notice to exit the scheme which it did on 31 March 2024, transferring its 13 active members to the defined contribution scheme.

A 31 December 2024 the Association had no active members (2023: 13).

The last actuarial valuation of the scheme was at 31 March 2023 using the projected unit method and the attained age method, dependent on the fund being valued. At the valuation date the market value of the LPFA assets was £7,420m in comparison to the actuarial value of benefits that had accrued to members of £5,950m. Accordingly, as at 31 March 2023, there was a surplus of £1,470m. Although the London Pension Fund Authority is a multi-employer scheme, it has been able to allocate assets and liabilities relating to SSAFA Forces Help and these are disclosed below for the year ended 31 December 2023.

The employer contributed 11.7% during 2023 and during the period to 31 March 2024 and the employee contribution rate ranges from 5.5% to 10.5% depending on the full-time annual rate of pay.

At 31 December 2023 the valuation was updated in accordance with FRS 102 and in line with the assumptions used in the 2024 scheme valuation. The major assumptions used by the actuary were:

Assumptions as at	31 December 2024	31 December 2023
	% p.a.	% p.a.
RPI increases	n/a	3.2%
CPI increases	n/a	2.8%
Salary increases	n/a	3.8%
Pension increases	n/a	2.8%
Discount rate	n/a	4.6%

Mortality assumption

The post-retirement mortality tables are based on Club Vita analysis. These base tables are then projected using the CMI 2023 model allowing for a long-term rate of improvement of 1.25% per annum.

Assumptions: members will exchange half of their commutable pension for cash at retirement and active members will retire at one retirement age for all tranches of benefit, which will be the pension-weighted average tranche retirement age.

Assets

The estimated asset allocation as at 31 December 2024 is as follows:

	31 December 2024	31 December 2023
	% p.a.	% p.a.
Equities	n/a	59%
Target Return Portfolio	n/a	17%
Infrastructure	n/a	12%
Property	n/a	10%
Cash	n/a	2%
Total	n/a	100%

None of the fair values of the assets shown above include any of the Group's own financial instruments or any property occupied by, or other assets used by the Group.

Statement of financial position as at 31 December 2024	2024	2023
	£'000	£'000
Fair value of scheme assets (bid value)	-	146,479
Present value of funded obligations	-	(83,512)
Asset ceiling - restriction on recognising surplus	-	(62,967)
Net pension liability	-	-

At 31 December 2023 the actuarial valuation was a surplus of £62,967,000 and on exit from the scheme on 31 March 2024 the surplus was valued at £68,685,000 No asset was recognised in the financial statements in 2023 as the Trustees did not consider there was a right to any economic benefits. However, in October 2024 the Pension Trustees made a discretionary payment of £68,676,000 to the Charity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

23. RETIREMENT BENEFITS (continued)

Reconciliation of defined benefit obligation:	2024	2023
	£'000	£'000
Opening defined benefit obligation	83,512	71,427
On exit from scheme	(83,512)	-
Current service cost	-	143
Interest cost	-	3,371
Change in financial assumptions	-	2,757
Change in demographic assumptions	-	(3,176)
Experience gain on defined benefit obligation	-	12,871
Contributions by Scheme participants	-	50
Estimated benefits paid (net of transfers in)	-	(3,931)
Closing defined benefit obligation	-	83,512

Reconciliation of fair value of employer assets:	2024	2023
	£'000	£'000
Opening fair value of scheme assets	146,479	139,076
On exit from scheme	(146,479)	-
Interest on assets	-	6,654
Return on assets less interest	-	3,486
Administration expenses	-	(70)
Other actuarial gains/(losses)	-	1,127
Contributions by employer (including unfunded)	-	87
Contributions by scheme participants	-	50
Estimated benefits paid (net of transfers in and including unfunded)	-	(3,931)
Asset ceiling - restriction on recognising surplus	-	(62,967)
Closing fair value of employers assets	-	83,512

Fair value of the plan assets at the reporting period end	2024	2023
	£'000	£'000
Equities	n/a	86,946
Gilts	n/a	25,371
Other bonds	n/a	17,222
Property	n/a	14,207
Cash	n/a	2,733
	n/a	146,479

Defined benefit (income)/costs recognised in the Statement of Financial Activities	2024	2023
	£'000	£'000
Interest on liabilities	-	3,371
Interest on assets	-	(3,584)
Service cost	-	143
Surplus received on exit from scheme	(68,676)	-
Administration expenses	-	70
Defined benefit (income)/costs recognised in the Statement of Financial Activities	(68,676)	-

Comprehensive Income movement	2024	2023
	£'000	£'000
Return of fund assets in excess of interest	-	(3,486)
Other actuarial gains on assets	-	(1,127)
Change in financial assumptions	-	2,757
Change in demographic assumptions	-	(3,176)
Experience gain on defined benefit obligation	-	12,871
Asset cap	-	(7,752)
Net loss	-	87

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

23. RETIREMENT BENEFITS (continued)

	2024 £'000	2023 £'000
Reconciliation of opening and closing deficit:		
Surplus/(deficit) at beginning of the year	62,967	67,649
On exit from scheme	(62,697)	-
Current service cost	-	(143)
Past service cost	-	-
Employer contributions	-	87
Other finance income	-	3,283
Actuarial gains/(losses)	-	(7,839)
Asset ceiling - restriction on recognising surplus	-	(62,967)
Administrative expenses	-	(70)
Deficit at end of the year	-	-

24. FINANCIAL ASSETS AND LIABILITIES

Group	2024 £'000	2023 £'000
Financial assets	111,506	37,886
Financial liabilities	2,896	3,113
Charity	2024 £'000	2023 £'000
Financial assets	110,529	37,011
Financial liabilities	2,386	2,531

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

25. RELATED PARTY TRANSACTIONS

The Charity had the following transactions with its wholly owned subsidiaries

	2024 £'000	2023 £'000
Management fees charged to SSAFA Forces Help Enterprises Limited	20	20
Donation received from SSAFA Forces Help Enterprises Limited under Gift Aid	138	108
Amount due from SSAFA Forces Help Enterprises Limited	56	6
Salary and management charges to SSAFA Family Health Services	4,362	4,675
Donation received from SSAFA Family Health Services under Gift Aid	848	1,382
Amount due from SSAFA Family Health Services	192	297
Salary costs recharged to SSAFA CMS Limited	195	193
Amounts charged from SSAFA CMS Limited	109	113

Guarantor:
The Charity is the Guarantor of a £1 million overdraft facility provided to SSAFA Family Health Services by Royal Bank of Scotland.

SSAFA, the Armed Forces charity is a trusted source of support for serving personnel, veterans and their families in their time of need. Our teams of trained volunteers and employees provide practical, emotional and financial assistance to the Armed Forces community enabling them to thrive.

SSAFA understands that behind every uniform is a person. And we are here for that person and their family, any time they need us and in any way they need us.

Because no one should ever battle alone.

NEED TO TALK?

SSAFA's Forcesline is a free and confidential helpline providing advice and information for serving personnel, reserves, veterans and their families, and is completely independent of the chain of command.

■ Call **0800 260 6767** Lines open 09.00 to 17.30 weekdays

■ Visit **ssafa.org.uk/forcesline**

To make a donation to support our Armed Forces family:

■ Visit **ssafa.org.uk/give**



NEVER BATTLE ALONE

SSAFA Queen Elizabeth House, 4 St Dunstan's Hill,
London EC3R 8AD | Phone: 0800 260 6780 | Web: ssafa.org.uk
X: @SSAFA | Facebook: @ssafaofficial | Instagram: @ssafaofficial
Registered as a charity in England and Wales Number 210760
in Scotland Number SC038056 and in Republic of Ireland
Number 20202001. Established 1885. S1022.0625

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ABOUT WHAT
WE DO**



ssafa.org.uk

THE SOLDIERS, SAILORS, AIRMEN AND FAMILIES ASSOCIATION - FORCES HELP

England & Wales - Charity number 210760

Accounts

ANNUAL REPORT

AND ACCOUNTS 2023



ssafa | the
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charity

Regulars | Reserves | Veterans | Families

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The Soldiers', Sailors', Airmen's and Families' Association - Forces Help
Queen Elizabeth House, 4 St Dunstan's Hill
London EC3R 8AD
ssafa.org.uk

Registered Charity Numbers
210760 (England and Wales)
SC038056 (Scotland)
149 (Gibraltar)
20222001 (Republic of Ireland)

Auditor
Moore Kingston Smith LLP, Statutory Auditor, Chartered Accountants, 9 Appold Street, London EC2A 2AP

Bankers
Coutts & Co
440 Strand, London WC2R 0QS

Royal Bank of Scotland Plc
West End Commercial Centre, 1st Floor, Argyll House,
T/O 246 Regent Street, London W1B 3PB

Investment Managers
BlackRock Investment Managers Ltd,
12 Throgmorton Avenue, London EC2N 2DL

Solicitors
Withers LLP, 20 Old Bailey, London EC4M 7EG

A MESSAGE FROM OUR NATIONAL CHAIR

Welcome to our 2023 Annual Report and Accounts

I start my first annual overview as National Chair by saying both what a privilege it is to be a part of SSAFA, the Armed Forces charity and also by paying huge tribute to my predecessor in this role, Sir Gary Coward; his strategic leadership of the Charity for more than six years has been exceptional and the achievements of 2023 are his, not mine. Since I came into the role as National Chair in October, I have been able to observe the commitment and dedication of employees and volunteers, working together to help our beneficiaries and in partnership with many other charities as well as a range of public sector bodies; it is humbling to observe the lengths they go to for those we help.

During this year SSAFA assisted just under 54,000 people. The complexity of cases is increasing, with the cost of resolving a case rising from £860 in 2019 to over £1,600 - much more than the rate of inflation. In 2023, around £10.1m was delivered to those in need through SSAFA's caseworkers, an increase of nearly £600k on the 2022 figure. Most of that money comes from the single Service benevolent funds and, in the Army's case, the Regimental Associations; we could not do our work without their funds, but they could not deliver their support without our network of employees and volunteers - there is a very strong bond of partnership and collaboration to support our beneficiaries.

The pressure on SSAFA's 2,500 volunteers is sizeable and in common with the whole charity sector, recruiting new volunteers is increasingly challenging. SSAFA cannot afford to stand still and we need to develop and modernise the organisation to reflect the changing needs of our beneficiaries and to reflect the expectations of our current and future volunteer force. We have commenced a trial of a new delivery construct under the Network Delivery Project, which is running in two regions and due to be completed at the end of this year. The trial aims to deliver the best support possible to our beneficiaries in an environment that properly supports volunteers and employees.

Our wide range of benevolent services continue to deliver superb support to the Armed Forces community, although we have regrettably decided to cease SSAFA's Adoption Service due to changes in the national

adoption market and a lack of demand; however, we take great pride in the 332 children we have placed over more than 20 years and the families we have created. We were also delighted again to be awarded the contract to deliver Personal Support and Social Work to the Royal Air Force as well as seeing our Community Healthcare contract in Cyprus extended. These bring a degree of financial security to SSAFA, though you will note that the Charity traded at a deficit for the second year in succession; we have plans to address this in the future.

The accounts show that we ran an approximate £1m trading deficit during 2023 with deficits for 2024 and 2025 planned. Our reserve position is very strong and we are able to absorb this cost pressure. This provides the space and opportunity to examine the way in which we deliver our services and to grow our opportunities to fundraise and improve brand awareness and engagement.

I take great pride in the support SSAFA provides to service personnel, veterans and their families, just as it has done since it was established by Sir James Gildea over 139 years ago; we are a trusted source of support in their time of need.

We could not do this without the commitment of employees and volunteers, or the collaboration with our many charity partners as well as SSAFA's individual and corporate supporters; on behalf of our beneficiaries, I thank you all very sincerely for what you do. It is greatly appreciated and never taken for granted.

Finally, I am delighted and honoured that His Majesty King Charles III has agreed to be our new Patron. The Monarch's patronage continues SSAFA's long-standing association with The Royal Family.



Sir Simon Bollom
National Chair

SSAFA’S GOVERNANCE STRUCTURE

This page provides an overview of SSAFA's governance structure.

SSAFA is governed by a Trustee body, referred to as SSAFA Council, with our National Chair the Chairman of Council.

Officers of the Association (National Chair, National Vice Chair, Deputy National Chair and Honorary Treasurer) and Members of the Council are all Trustees. They are incorporated as a body operating under the Association’s Royal Charter. One third of our Trustees are required to retire each year but are eligible for re-election by the Association.

Trustees are ultimately responsible for all matters concerning governance, strategic direction, legal operation and financial probity. They exercise authority only when making a majority decision at a duly constituted meeting of Council, comprising between seven and 17 members.

Our Chief Executive, known as the Controller, is responsible to the Charity’s Trustees for the management of SSAFA's global activities. The Controller chairs the Management Board, which oversees SSAFA's wide range of activities in support of the Armed Forces community.

PATRON His Majesty King Charles III	DEPUTY NATIONAL CHAIR Colonel Stephen Oxlade
PRESIDENT HRH Prince Michael of Kent	HONORARY TREASURER Mr David Rowe
VICE PRESIDENTS The Lady Dannatt The Baroness Fookes Lieutenant Colonel Colin Hogg The Lady Walker Lady Sanders Mrs Wendy Burns Lady Hockenhull Lady Wigston (retired June 2023) Lady Knighton (from September 2023)	COUNCIL MEMBERS Ms Michelle Alston (retired September 2023) Mr Nick Baughan Mr James Carleton (retired March 2023) Ms Alex Milner Mr Pravinkumar Navekar Air Vice-Marshal Charles Ness Ms Kate Pennell Brigadier Tim Seal Mrs Evelyn Strouts Lady Walmsley Mr Keith Marriott (from March 2024)
NATIONAL CHAIR Lieutenant General Sir Gary Coward (retired October 2023) Sir Simon Bollom (from October 2023)	CONTROLLER Lieutenant General Sir Andrew Gregory
NATIONAL VICE CHAIR Kirsty Bushell	SECRETARY AND CHIEF OPERATING OFFICER Mr Simon Blum

SSAFA’s Council meets on a quarterly basis and ensures the Charity is carrying out its purposes for the benefit of our beneficiaries, is accountable, and complies with our governing documents and the law, as well as ensuring our resources are managed responsibly. There are also several standing Council agenda items which include; Safeguarding, Fundraising & Marketing Communications, Equality Diversity & Inclusion, as well as Data Protection and Information Management - which is managed by an independent Data Protection Officer.

SSAFA COMMITTEES

SSAFA has a number of committees overseeing different work streams. Each is chaired by a Trustee with the intention of providing advice and support for our Council in governance in order to achieve the objectives of the charity.

The following committees meet on a quarterly basis:

- Risk Committee, responsible for ensuring that SSAFA and its subsidiaries conduct their business to the highest standard of probity, reporting to Council thereon.
 - Finance Committee, responsible for ensuring that SSAFA's financial position is sustainable and advising Council accordingly.
 - Fundraising & Marketing Committee, responsible for advising Council on fundraising, marketing and communication matters, encompassing internal and external communications channels/platforms used, and focusing on their impact and effectiveness.
 - Regional Chairs Committee, a consultative non-executive body with responsibility for effective two-way communication and facilitation between Council, committees, volunteers and employees, reporting to Council.
 - Governance Committee, responsible for making decisions about governance, human resources, remuneration, honours and awards, reporting to Council.
 - Safeguarding Board, responsible for ensuring beneficiaries, volunteers and employees are kept safe and supported with policies, training and guidance when dealing with any safeguarding concerns and complex casework.
- Under the authority of Council, SSAFA operates three subsidiary companies:
- SSAFA Family Health Services,
 - SSAFA Forces Help Enterprises Limited,
 - SSAFA CMS Limited.

For further information and governance details, please refer to page 13.

TRUSTEES' REPORT

We, the Trustees, are pleased to present the annual Trustees' Report and the consolidated financial statements of the Charity. These financial statements comply with SSAFA's governing document, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Act (Gibraltar) 1962-12, the Charities Act 2009 (Republic of Ireland) and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OUR CHARITABLE OBJECT AND ACTIVITIES FOR THE PUBLIC BENEFIT

SSAFA is a public benefit entity. The Trustees have given due consideration to the Charity Commission published guidance on the operation of the Public Benefit requirement, and confirm that SSAFA, the Armed Forces charity is a trusted source of support for serving personnel, veterans and their families in their time of need. There are only two criteria for assistance: eligibility and need.

Crucial to the successful delivery of all our charitable activities is a network of 2,519 volunteers across the globe. It is impossible to quantify the value of our volunteers' contribution in monetary terms, and therefore no amounts are recorded in the financial statements.

DURING 2023, SSAFA'S SERVICES FOCUSED ON:

Welfare advice and support — our network of regional offices and branches in local communities and serving community teams on military bases offers practical, financial and emotional support. We help serving personnel, both regulars and reserves, veterans and their families, with everything from financial hardship to family breakdown.

Tailored support services — our wide range of services are designed to meet the specific needs of the Forces community and are run by SSAFA employees, with support from teams of volunteers. We mentor service leavers and their families as they transition from the military to civilian life, support veterans and their families in the criminal justice system, provide a support service to the UK Gurkha veteran community and, with Glasgow City Council, provide welfare and wellbeing support to members of the Armed Forces family in Glasgow. We

also help veterans struggling with disability, sourcing practical items such as mobility aids or replacing household goods. Our free confidential helpline, Forcesline, provides a wide range of practical and emotional support to the Armed Forces community. We offer long-term accommodation for older and disabled veterans, and we have short-term accommodation available for families of injured service personnel, as well as for women and children affected by domestic abuse from families serving in the Armed Forces.

We run a series of support groups; ranging from families affected by injury or bereavement to those affected by the suicide of a loved one as well as a support forum, the Forces Additional Needs and Disability Forum (FANDF) for those in the military who have a family member with an additional need and/or disability. We also provide short break holidays for those Forces families with additional needs and disabilities. Until February 2024, we operated the UK's only adoption agency specifically designed for Armed Forces serving personnel. It provided support throughout the adoption process, including family finding, link-making and post-adoption support.

Health and social care services — we provide community health care across several countries and overseas territories around the world - Cyprus, Brunei, Gibraltar, Canada, Germany, Belgium, the Netherlands, Italy and Kenya; with Norway, Turkey, France, Portugal, and Spain amongst those receiving remote support. These services range from Ministry of Defence (MOD) contracted community healthcare in Cyprus to grant-in-aid health visiting in Kenya and midwifery in Brunei. We also provide personal support and social work services (PS&SWS) to the Royal Air Force (RAF) in the UK under contract to the MOD.

DELIVERING AGAINST OUR 2023 AIMS AND OBJECTIVES

In our 138th year we focused on continuing to ensure the needs of the Armed Forces community are met in an appropriate and timely way. We are a trusted source of support for serving personnel, veterans and their families in their time of need. We achieve this through an exceptional range of complementary services, designed to meet specific beneficiary needs and delivered by skilled teams of employees and volunteers.

Our 2022-2027 strategy continues to enable us to become a yet more responsive, efficient and effective charity. Our five-year strategic plan and aims deliver this through:

1. Understanding need

2. Delivering consistent and effective support

3. Sustaining our resources

4. Raising our profile and strengthening our brand

5. Growing collaboration

We will continue to drive progress against our strategic objectives and meet beneficiary need against a backdrop of change. Our core services, which focus on the needs of our beneficiaries, are met either through our volunteer casework, through our 'behind-the-wire' serving community volunteers meeting serving communities' needs, or through our specialist services. A significant element of the Charity's activities is the granting of funds to eligible individuals, with many of those funds coming from our funders.

OUR ACHIEVEMENTS AND PERFORMANCE IN 2023

- SSAFA volunteers sourced £10.1 million (2022: £9.5 million) through applications to military benevolent funds and other welfare charities, to assist our beneficiaries. In 2023, we supported 53,884 individuals with our charitable services (59,439 in 2022). Although we helped fewer individuals overall, the average spend per case increased by £200 from 2022 to 2023, which reflects the nature of the more complex cases that we are seeing come through and how the regional offices and branches are diligently providing a more holistic approach to casework.
- The experience provided by SSAFA to our beneficiaries has been enhanced by our unified approach to accessing support services through our 11 fully operational regional offices in the UK and overseas. In 2023, our branches supported 6,800 cases (2022: 10,131) and carried out 4,869 visits (2022: 5,400) as well as providing comprehensive support and a single point of contact to both our beneficiaries and our volunteer network.
- Our 2,519 volunteers across our branch network, serving community teams and specialist volunteers donated invaluable time. Substantial progress was made in 2023 to our volunteer experience. We reviewed our volunteer management processes throughout the volunteer life cycle, focusing in particular on how we support, develop and recognise the amazing contribution our volunteers make.
- For further information on our activities and achievements in 2023 please read our Annual Review 2023.

SOCIAL CARE OPERATIONS

The Personal Support and Social Work Service (PS&SWS) RAF is an MOD contracted welfare service run by a team of skilled and qualified staff from a range of disciplines, providing support to the RAF community on base. In 2023 there was a 3% decrease to 5,084 service users being supported, with 3,396 consultations, 1,379 referrals and 309 personnel on recovery duty referrals. The main areas for referrals support were personal support, mental health and housing. The PS&SWS RAF contract has been renewed for a further five years from April 2024.

MEASURING AND EVALUATING THE IMPACT OF OUR WORK

In line with the Charity’s strategic plan, demonstrating the impact of SSAFA’s services provided to our beneficiaries is key in allowing us to better understand the needs of the Armed Forces community and their families.

SSAFA's approach to the measurement of these outcomes begins with developing a theory of change for each support service, which allows us to identify those outcomes we wish to explore. This forms the basis for an evaluation plan where we develop or use existing validated tools to demonstrate how we have helped our beneficiaries. We do this using a range of methods including outcome measures, feedback surveys, qualitative and economic studies, as our approach depends on the individual service’s need. SSAFA employs a continuous improvement approach when measuring impact which allows us to not only measure success, but also learn how we can improve so that we continually develop our services.

Where appropriate, external evaluators measure the outcomes and impact of our services, with methods including surveys, interviews and focus groups. Exploring the impact of our services is a high priority for SSAFA and we are continuing to identify ways in which we can measure and demonstrate how we make a difference.

OUR COMMITMENT TO ENVIRONMENTAL SUSTAINABILITY

Since 2014, SSAFA has complied with the legal requirement to take part in the Energy Savings Opportunity Scheme (ESOS). Some of the savings identified by a qualified ESOS auditor have been completed, resulting in estimated savings of £1,077 per annum. Environmentally friendly savings outside of ESOS include transitioning to the use of green energy, improving insulation and boiler efficiency, and increasing the maximum allowance provided for lease cars to encourage selection of hybrid or fully electric vehicles. Online training, virtual meetings and home working practices have reduced the carbon footprint of SSAFA employees.

RAISING OUR PROFILE

SSAFA wants to be the ‘expert’ voice for the issues faced by the military community and seen as a trusted, passionate, professional support network and service provider. We will aim to grow and improve our brand presence to assist beneficiaries seeking help, target volunteers and employees who want to work for the Charity and grow one-off donors into life-long supporters of SSAFA.

FUNDRAISING FOR OUR WORK

In 2023, we raised £13.1 million (2022: £13.7 million) from donations, grants, legacies, events and trading activities, of which £1.7million (2022: £1.9 million) was raised by volunteers in their local communities.

Our Fundraisers used a variety of in-person and virtual methods of fundraising resulting in an overall events income of more than £1.8 million (2022: £1.9 million). Our challenge and in-aid fundraising raised more than £850,000 our highest ever figure in this area, with the London Marathon achieving £227, 293.

Legacy income of more than £4.1 million was bolstered by three significant legacies totalling more than £575,000. Legacies continue to be a significant source of our fundraising income and make up 38% of our total voluntary income.

Individual giving income increased 6.9% to £1.39 million; the gross revenue from direct debit donations increased to approximately £409,000 from £256,000 in 2022. Commercial partnerships raised more than £360,000, and Trading operations generated more than £250,000 in sales via the catalogue and online store.

Once again, we are incredibly grateful for the trusted and long-term relationships we have with many funders. We continued key strategic partnerships with many organisations including the Army Benevolent Fund, the Army Central Fund, The Royal British Legion, the Royal Navy and Royal Marines Charity, the RAF Benevolent Fund, and also Greenwich Hospital. We also continued to work closely with the Armed Forces Covenant Fund Trust, The National Lottery Community Fund, Glasgow City Council, and the Barbara Naylor Charitable Trust.

Major donors who make notable gifts are a vital part of ensuring we can continue to provide our vital projects and services. They support the strategic and transformational journeys that we need to take as the needs of the Armed Forces community evolve and change. This year, our most loyal and established major donors and philanthropy supporters funded programmes which contributed to future proofing our work as well as to various services and projects. We extend a sincere and heartfelt thank you to all our donors: individual, corporate, grant-givers and commercial partners, as well as other collaborating organisations, and those who wish to remain anonymous, for their support.

Particular thanks go to:

Amazon
Annington Management
Armed Forces Covenant Fund Trust
Army Central Fund
BAE Systems
Birmingham City Council
Bluelight Cycling Club
Boeing UK
Cambridgeshire County Council
Cambridgeshire Community Foundation
Castanea Trust
Derbyshire County Council
Forces in Mind Trust (FiMT)
Glasgow City Council
Greenwich Hospital
Hattons of London
Haven Holidays
Hertfordshire Community Foundation
Landmarc
Leicestershire County Council
Leicester City Council
Lord Barnby’s Foundation
MBDA
Muriel and Gershon Charitable Foundation

Nationwide Building Society
Norfolk and Waveney Integrated Care Board
Norfolk County Council
Nottinghamshire County Council
Peter Dixon Charitable Trust
RAF Benevolent Fund
Renfrewshire Council
Royal British Legion
Royal Engineers Association
Royal Navy and Royal Marines Charity
Scott (Eredine) Charitable Trust
Sodexo
Suffolk Carers Trust
Suffolk Community Foundation
The Army Benevolent Fund
The Barbara Naylor Charitable Trust
The Dr Olav and Mrs Kerr Charitable Trust
The Inman Charity
The Light Dragoons
The MacRobert Trust
The National Lottery Community Fund
The Queen Mary’s Roehampton Trust
The Queen’s Royal Hussars
The Royal Logistics Corps
The Scottish Government
Trinity House Maritime Charity
and those who wish to remain anonymous.

LOOKING TO THE FUTURE

The continued cost-of-living crisis and the shortage of housing will mean many more in the Armed Forces community are facing hardship, so close attention to ensuring financial sustainability of the Charity is a priority for the Trustees and Senior Management team who will continue to closely monitor the impact of increased need on our income, expenditure, fundraising and communications.

We need to ensure that we continue to support our volunteers and employees, deliver outstanding services - both face-to-face and virtually - and strengthen our cross-sector collaboration. In order to future-proof our vital work our Network Delivery Project is being trialled in two regions with a view to ensuring a financially sustainable, consistent, timely and quality assured service to all our beneficiaries wherever they are, whenever they need it, across our UK footprint and in locations worldwide.

We need to meet the current and future, financial and social welfare needs faced by our serving and veteran

communities. Many of these have been exacerbated and heightened by the cost-of-living crisis in our economy, society, and welfare services. Our Cost-of-Living Crisis Fund enables our critical front-line services to give immediate financial support to those who are struggling, and to relieve a major cause of their anxiety and stress.

We will continue to meet our contractual obligations to provide high-quality health and social care to the Armed Forces in the UK and overseas. We will respond to the reduction in contracted services income whilst maintaining our existing excellent standards of service, be creative in searching for solutions to fundraising activity and continue to be cost conscious.

Investment in fundraising and supporter engagement is vital to SSAFA's future. Our fundraising strategy for 2022-2024 focuses on new supporter acquisition and engagement whilst ensuring our regional and community fundraising presence is strengthened.

We want to ensure we continue to raise awareness of our charity and our profile to drive external communications and generate the income needed in very challenging circumstances. We will still focus on our three communications objectives; raising awareness of the SSAFA brand and the different types of support we offer across the whole of the Armed Forces family, driving our fundraising and building our volunteer network through active recruitment.

FINANCIAL REVIEW

As required, the accounts have been prepared under Charity SORP (FRS 102). To meet the requirements of the Office of the Scottish Charity Regulator, a Statement of Activities (with supporting notes) has also been prepared for the Charity (as shown on page 21).

FINANCIAL OUTCOME

The Consolidated Statement of Financial Activities for the year shows that there was an overall deficit in the year before investment and actuarial losses of £1.0 million (2022: £1.4 million). This comprises a deficit on unrestricted funds of £1.3 million for the year (2022: £0.7 million deficit) and a restricted fund surplus of £0.2 million (2022: £0.6 million deficit).

Donations and legacies received in the year were £6.8 million (2022: £5.9 million) and £4.2 million (2022: £5.3 million) respectively. The costs of raising voluntary income were £876 thousand (2022: £844 thousand). The branches continue, through their volunteer network, to raise significant funds of £10.1 million (2022: £9.5 million) from service and other charities to assist a wide variety of Forces-related individuals in need. At 31 December 2023 £1.3 million (2022: £1.5 million) was being held as unalmonised grants for imminent distribution to the individuals for whom the funds were raised.

Health and welfare activities contributed £1.0 million (2022: £1.2 million) to the Group. This includes the activities of SSAFA Family Health Services, which is responsible under contract to the MOD for the delivery of health services. The group continues to provide the RAF Personal Support and Social Work Services in the UK. Whilst income and expenditure decreased significantly, the margin reflects improved cost management initiatives.

The pension fund balance was measured as an asset of £63 million (2022: £68 million) at the year end. The Trustees do not consider the Charity has a right to any future economic benefits from the scheme despite the asset position and therefore no asset or liability is recorded at the balance sheet date. Changes in the valuation reflect a decrease in discount rate from 4.9% to 4.6%.

INVESTMENT POLICY

SSAFA's investment policy is to produce the best financial return within an acceptable level of risk. The investment objective is to generate a return in excess of inflation over the long term whilst generating an income to support the ongoing activities of SSAFA branches. SSAFA has a broad range of income sources that would allow it to continue with its activities were markets to fall. The key long-term risk is inflation, and the investment assets are invested to mitigate this risk. The Trustees understand that this is likely to mean that investment will be concentrated in real assets (equities and property) and that therefore the capital value will fluctuate. As a result they are prepared to take more than a moderate amount of risk. SSAFA's investment assets can be invested widely and be diversified by asset class and by security. Asset classes can include cash, bonds, equities, property, hedge funds, structured products, private equity, commodities and any other asset that is deemed suitable as defined by the Charity Commission in CC 14. The Investment Policy has no ethical restrictions.

The majority of SSAFA's funds are invested in the Armed Forces Charity Authorised Investment Fund, a fund specifically designed for service and ex-service charities. The objective of the fund is to achieve long term growth of both capital and income. Performance of the fund is measured against a benchmark constructed to represent a balanced portfolio of investments comprising UK and global equities, property and UK and overseas bonds. In 2023, the fund recorded a total return of 4.3%, which was below the benchmark. Dividends for the year were increased to 8.55p per unit.

RESERVES POLICY

Taking into account the long-term strategic plan that the Trustees agreed in 2018 and the analysis carried out since on the financial demands of providing a modern service that meets the needs of all stakeholders, the Trustees have agreed that the Charity needs to sustain its current level of reserves in real terms. This is made all the more necessary given the pressures on income from the unavoidable decline in health and social care contracts. The Charity's reserves underwrite the day-to-day operation of the branch network as well as the many other capabilities SSAFA provides to its beneficiaries. The reserves are held in a combination of investment properties, listed investments and cash. The Trustees currently forecast that reserves will be used to cover annual deficits for the next five years if other sources of income do not increase to meet the rising costs of serving our beneficiaries' needs. The Reserves Policy of sustaining current levels in real terms means, after completing the new strategy, that the Charity's reserves should be able to fund annual core running costs in a crisis, as they will do in 2024. To do otherwise would put at risk the existence of the Charity. The Trustees have learnt from other charities that have not had a sustainable business model and not had sufficient reserves to maintain, over the long term, the vital service they deliver to their beneficiaries, many of whom have long term needs, when income falls.

- At 31 December 2023, the Charity held total funds of £53.5 million (2022 - £56.8 million).
- At 31 December 2023 the Charity held restricted funds not available for general purposes of £6.4 million (2022 - £6.0 million). This includes fixed assets of £299,000 (2022- £302,000).
- At 31 December 2023 the Charity held designated funds of £1.4 million (2022 - £ 1.5 million) for use as and when qualifying need arises.
- At 31 December 2023, the level of unrestricted reserves which were not represented by fixed assets was 1.9 years of running costs (2022: 2.1 years).
- At 31 December 2023, the unrestricted general reserves (which include designated funds) that were not represented by fixed assets amounted to £40.2 million (2022: £43.7 million).

GRANT MAKING

Assistance from the unrestricted funds may be used only to relieve the need, suffering and distress of those eligible for our help, as described in the Objects of SSAFA. The Regulations of SSAFA do not permit our funds to be used for gifts, grants or subscriptions to charities, hospitals, schools or other funds, societies or institutions.

FUNDRAISING POLICIES

SSAFA carries out its core fundraising activities through a dedicated team of paid professional fundraisers managed from its London office, and through registered volunteers who engage in small-scale fundraising activities to help support branch-level activities.

SSAFA's central fundraising team generates income through a mix of grant, donation, contract, sponsorship and commercial activities. It also oversees regional and branch-level fundraising activities and provides support, training and guidance to its volunteer fundraisers to ensure that the Fundraising Code is followed, and that best practice and legal fundraising standards are applied consistently across the organisation.

As part of its activities to recruit individual supporters, SSAFA utilises payroll giving schemes and face-to-face fundraising on private sites. SSAFA engages three specialist Professional Fundraising Organisations (PFOs) to represent the Charity to support payroll giving and two PFOs to represent the Charity for face-to-face activity. All such agreements are subject to legal contract, including how data is collected, stored, processed and shared. SSAFA's merchandise and trading activities are managed through SSAFA Forces Help Enterprises Limited. Sponsorship and/or cause affiliated marketing partnerships are managed through commercial participation agreements.

MANAGING AND SAFEGUARDING DATA

SSAFA is dedicated to safeguarding the personal data entrusted to us by our volunteers and supporters, while ensuring strict adherence to rigorous governance and risk management standards. This includes obtaining the necessary permissions from supporters before collecting and using their personal data and giving supporters clear choices on how they receive communications from us.

We provide training to employees and volunteers on data protection and privacy. This includes guidance on how to handle personal data, how to spot and report suspicious activity and how to respond to a data breach. We regularly review and update our data protection policies to ensure they remain compliant with any changes to data protection laws.

In addition, privacy considerations are now embedded at the start of all new projects, ensuring data protection principles are at the forefront of project design. As part of our commitment to maintaining the trust of our supporters we conduct a due diligence exercise on all third-party suppliers and data sharing agreements are in place with third-party organisations who support SSAFA's fundraising activities. This ensures that we only work with reputable suppliers who share our values and commitment to data protection. The confidentiality, integrity and availability of supporter data are of the utmost importance to the Charity, and we are fully committed to implementing measures to ensure that supporter data is kept safe and secure at all times.

STRUCTURE, GOVERNANCE AND MANAGEMENT GOVERNING DOCUMENT

The Soldiers', Sailors', Airmen's and Families' Association - Forces Help, operating as SSAFA, the Armed Forces charity was established in 1885 under Royal Charter. SSAFA's Charter and Rules and Regulations were extensively revised in 2013 and approved by Council in January 2014. The Charter allows the Trustees to establish Regulations for the day-to-day management of the Charity. SSAFA is registered as a charity in England and Wales (Number 210760) in Scotland (Number SCO38056), in the Republic of Ireland (Number 20002021) and in Gibraltar (Number 149).

TRUSTEE INDUCTION AND TRAINING

Regulations require that each Trustee attends an introductory briefing. Each Trustee must attend formal annual training including Data Protection, Safeguarding and Diversity & Inclusion.

MANAGEMENT PAY

The Governance Committee is responsible for reviewing and deciding any salary increases applicable to all employees including all levels of management. The Charity does not operate a performance related salary or bonus scheme. Any proposed changes to management pay will consider the remuneration of comparable internal roles and external roles in similarly sized charities.

SSAFA's median gender pay gap remains low at 2.25% (2022: 1.47%) and continues to be considerably lower than the national median gender pay gap of 14.3% (2023 ONA ASHE).

SUBSIDIARY CHARITIES

The Charity has two subsidiary Charities: The Royal Homes, regulated under a Charity Commission Scheme in 1998 and the Aircrew Association Charitable Fund, regulated under a Charity Commission Scheme in 2012. Both are administered as part of SSAFA as a result of these schemes, and their results are included within the results of the Charity.

SSAFA OPERATIONAL ENTITIES

Under the authority of Council, SSAFA operates three subsidiary companies. Each company is run for the benefit of the Charity by paid employees who fill the key posts of Managing Director, Chief Operating Officer and Company Secretary, and includes Trustees as additional external members of the Board. Each Company reports as required to Companies House.

- SSAFA Family Health Services, a company limited by guarantee not having a share capital, Registered Number 3137764, was established to provide community health, social work and other services for the Armed Forces worldwide.

- SSAFA Forces Help Enterprises Limited, a company limited by shares, Registered Number 2493614, was established as a trading company to sell Christmas cards and other merchandise, and enter into other non-charitable commercial arrangements.

- SSAFA CMS Limited, a company limited by shares, Registered Number 11148036, was established to develop and maintain “CMS” a software tool for use by the majority of military charities for managing casework within the military charity sector.

OTHER CHARITABLE JURISDICTIONS

In order to operate in Scotland, SSAFA has been registered with the Office of the Scottish Charity Regulator Register of Charities under number SC038056. In order to operate in Gibraltar, SSAFA has been registered with the Charity Commissioners for Gibraltar Register of Charities under number 149. In order to operate in the Republic of Ireland, SSAFA has been registered with the Charities Regulator under number 20002021.

RISK MANAGEMENT

The Controller’s Management Board meets monthly and reviews the Risk Register to ensure compliance. The Risk Committee reviews the Risk Management Policy and Register at each meeting. Areas of significant risk are reported to Council at each meeting. Council then seeks assurance from the Controller that all mitigating action is being or has been taken. In addition, Council formally approved the appointment of Mazars LLP as internal auditors and agreed a risk-focused internal audit plan with them, covering a variety of areas (including finance) across the organisation. The reviews have identified that financial sustainability is the main financial risk for both the Charity and its subsidiaries.

PRINCIPAL RISKS AND UNCERTAINTIES ARE MANAGED BY:

- having detailed financial planning and processes in place to ensure oversight and ongoing monitoring of the financial position;
- detailed contract planning. A principal financial risk facing the Charity’s subsidiary, SSAFA Family Health Services, is related to the expiry of the contract with the MOD to provide healthcare to HM Forces in Germany following the drawdown of personnel back to the UK. The Company’s Board is monitoring the situation and continuing to look for new opportunities;
- ensuring that branches’ and serving communities’ volunteers have appropriate financial and other training and support available to them to aid them with the raising, recording, monitoring and the distributing of funds in delivering assistance to SSAFA’s many beneficiaries.

The Group has some transaction and currency exchange rate risk given its international spread of activities. The objective of the Group in managing its liquidity risk is to ensure that it can meet its liabilities when they fall due. The Group expects to meet its financial obligations through operating cash flows. In the event that operating cash flows would not cover all the Group’s financial obligations, Council is comfortable that suitable credit facilities are available.

The Group may offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. Certain Group entities are subject to risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by strong on-going customer relationships.

Council is content that measures are in hand to manage and minimise all significant risks.

AUDITOR

The Trustees believe it is good practice to re-evaluate their professional advisers periodically but have also informed Moore Kingston Smith LLP that its proposals to be re-appointed will be welcomed.

TRUSTEES’ RESPONSIBILITIES STATEMENT

The Trustees are responsible for preparing the annual Trustees’ Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 and regulations made thereunder, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 1962-12 (Gibraltar) and the Charities Act 2009 (Republic of Ireland) require the Trustees to prepare financial statements for each financial year.

The Trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the Group, and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period.

In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity’s and Group’s transactions, and disclose with reasonable accuracy at any time the financial position of the Charity and the Group and enable them to ensure that the financial statements comply with the Charities Act 2011 and regulations made thereunder, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity (Accounts and Reports) Regulations 2008, the Charities Act (Gibraltar) 1962-12 , the Charities Act 2009 (Republic of Ireland) and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and the Group and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Approved by Council on 18 June 2024

And signed on 18 June 2024 by

INDEPENDENT AUDITOR’S REPORT

To the Trustees of The Soldiers’, Sailors’, Airmen’s and Families’ Association – Forces Help (SSAFA)

OPINION

We have audited the financial statements of SSAFA, the Armed Forces charity (the ‘parent charity’) and its subsidiaries (the ‘group’) for the year ended 31 December 2023 which comprise the Group Statement of Financial Activities, the Charity Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group’s and the parent charity’s affairs as at 31 December 2023 and of the group’s and parent charity’s incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 parent 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 auditor’s report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees’ annual report.

We have nothing to report in respect of the following matters where the Charities Act 2011 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the Trustees’ Annual Report is inconsistent in any material respect with the financial statements;
- the parent charity has not kept sufficient and proper accounting records;
- the parent charity’s financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees’ Responsibilities Statement set out on page 15, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group’s and parent charity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or parent 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 sections 151 of the Charities Act 2011 (England and Wales), 50 of the Charities Act 2009 (Republic of Ireland) and 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for

our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charity’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the group or parent charity to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the parent charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the Charity and considered that the most significant are the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the Charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

USE OF OUR REPORT

This report is made solely to the Charity’s Trustees, as a body, in accordance with Section 154 of the Charities Act 2011, Section 50(1) of the Charities Act 2009 (Republic of Ireland), and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity’s Trustees those matters we are required to state to them in an 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Moore Kingston Smith LLP

Statutory Auditor
Date: 19 June 2024
9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Total 2022 £'000
INCOME FROM:							
Donations and legacies	1	8,385	2,591	10,976	9,129	2,031	11,160
Charitable activities							
Contributions — Service/other charities	2	-	10,124	10,124	-	9,528	9,528
Health and welfare	2	6,150	413	6,563	5,991	428	6,419
Care and accommodation	2	477	554	1,031	421	546	967
Adoption services	2	465	-	465	237	-	237
Total charitable activities		7,092	11,091	18,183	6,649	10,502	17,151
Other trading activities							
Fundraising activities		1,672	91	1,763	1,799	86	1,885
Commercial activities		299	-	299	679	-	679
Total trading activities		1,971	91	2,062	2,478	86	2,564
Investments	3	1,933	99	2,032	1,483	106	1,589
Other income	4	867	-	867	571	-	571
Total income		20,248	13,872	34,120	20,310	12,725	33,035
EXPENDITURE ON:							
Raising funds							
Fundraising activities	5	3,414	-	3,414	3,443	-	3,443
Raising voluntary income	5	876	-	876	844	-	844
Other trading activities	5	156	-	156	240	-	240
Total raising funds		4,446	-	4,446	4,527	-	4,527
Charitable activities							
Supporting clients	5	10,294	12,188	22,482	9,749	11,986	21,735
Health and welfare	5	5,176	378	5,554	4,816	393	5,209
Care and accommodation	5	1,122	1,010	2,132	1,402	979	2,381
Adoption services	5	458	50	508	562	-	562
Total cost of charitable activities		17,050	13,626	30,676	16,529	13,358	29,887
Other expenditure	5	25	-	25	2	-	2
Total expenditure		21,521	13,626	35,147	21,058	13,358	34,416
Net (losses)/gains on investments	10	(2,123)	15	(2,108)	(4,355)	(522)	(4,877)
Net (expenditure)/income before fund transfers		(3,396)	261	(3,135)	(5,103)	(1,155)	(6,258)
Transfer between funds	11	(196)	196	-	26	(26)	-
Other recognised gains and losses							
Actuarial losses on defined benefit pension	23	(87)	-	(87)	(36)	-	(36)
Net movement in funds		(3,679)	457	(3,222)	(5,113)	(1,181)	(6,294)
RECONCILIATION OF FUNDS							
Total funds brought forward	17	50,769	5,988	56,757	55,882	7,169	63,051
Total funds carried forward	17	47,090	6,445	53,535	50,769	5,988	56,757

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Total 2022 £'000
INCOME FROM:							
Donations and legacies	1	9,443	2,591	12,034	9,754	1,808	11,562
Charitable activities							
Contributions — service/other charities	2	-	10,124	10,124	-	9,528	9,528
Health and welfare	2	-	413	413	-	428	428
Care and accommodation	2	477	554	1,031	421	546	967
Adoption services	2	465	-	465	237	-	237
Total charitable activities		942	11,091	12,033	658	10,502	11,160
Other trading activities — Fundraising		1,672	91	1,763	1,843	86	1,929
Investments	3	1,930	99	2,029	1,481	106	1,587
Other Income	4	5,543	-	5,543	5,339	-	5,339
Total income		19,530	13,872	33,402	19,075	12,502	31,577
EXPENDITURE ON:							
Raising funds							
Fundraising activities	5	3,385	-	3,385	3,439	-	3,439
Raising voluntary income	5	874	-	874	838	-	838
Total raising funds		4,259	-	4,259	4,277	-	4,277
Charitable activities							
Supporting clients	5	9,967	12,188	22,155	9,054	11,648	20,702
Health and welfare	5	988	378	1,366	894	393	1,287
Care and accommodation	5	1,121	1,010	2,131	1,400	979	2,379
Adoption services	5	458	50	508	562	-	562
Total cost of charitable activities		12,534	13,626	26,160	11,910	13,020	24,930
Other expenditure	5	3,792	-	3,792	3,834	-	3,834
Total expenditure		20,585	13,626	34,211	20,021	13,020	33,041
Net (losses)/gains on investments	10	(2,123)	15	(2,108)	(4,313)	(488)	(4,801)
Net (expenditure)/income before fund transfers		(3,178)	261	(2,917)	(5,259)	(1,006)	(6,265)
Transfers between funds	11	(196)	196	-	34	(34)	-
Other recognised gains and losses							
Actuarial (losses)/gains on defined benefit pension	23	(87)	-	(87)	(36)	-	(36)
Net movement in funds		(3,461)	457	(3,004)	(5,261)	(1,040)	(6,301)
RECONCILIATION OF FUNDS							
Total funds brought forward	17	50,245	5,988	56,233	55,506	7,028	62,534
Total funds carried forward	17	46,784	6,445	53,229	50,245	5,988	56,233

The Charity Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

CONSOLIDATED GROUP AND CHARITY BALANCE SHEETS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
As at 31 December					
FIXED ASSETS					
Tangible assets	12	7,140	7,352	7,140	7,352
Investments	13	37,040	39,891	37,050	39,901
Total fixed assets		44,180	47,243	44,190	47,253
CURRENT ASSETS					
Investments	14	1,262	-	1,262	-
Debtors	15	4,797	5,227	4,731	4,674
Stock		12	25	-	-
Cash at bank and in hand		6,887	8,409	6,048	8,104
		12,958	13,661	12,041	12,778
Creditors: Amounts falling due within one year	16	(3,603)	(4,147)	(3,002)	(3,798)
Net current assets		9,355	9,514	9,039	8,980
Net assets excluding pension liability		53,535	56,757	53,229	56,233
Defined benefit pension scheme liability	23	-	-	-	-
NET ASSETS	17	53,535	56,757	53,229	56,233
FUNDS					
Unrestricted funds — general	17	45,644	49,255	45,338	48,731
Unrestricted funds — designated	17	1,446	1,514	1,446	1,514
Unrestricted funds — pension reserve	17	-	-	-	-
Total unrestricted funds	17	47,090	50,769	46,784	50,245
Restricted funds	17	6,445	5,988	6,445	5,988
TOTAL FUNDS	17	53,535	56,757	53,229	56,233

Approved by Council on 18 June 2024 and signed on 18 June 2024 by:



Sir Simon Bollom
National Chair



Mr David Rowe
Honorary Treasurer

The accompanying accounting policies and notes on pages 24 to 47 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £'000	2022 £'000
Net cash used in operating activities	A	(3,239)	(3,181)
Cash flows from investing activities			
Dividends, interest and rents from investments	3	2,032	1,589
Proceeds on disposal of fixed assets		704	608
Net cash disposed of on disposal of subsidiary		-	(325)
Purchase of investments	13, 14	(1,269)	(42)
Proceeds from sale of investments	13	750	55
Net cash used in investing activities		2,217	1,885
Cash inflows from financing activities			
New borrowings		-	500
Repayment of borrowings		(500)	(5,000)
Change in cash and cash equivalents in the year		(1,522)	(5,796)
Cash and cash equivalents at 1 January		8,409	14,205
Cash and cash equivalents at 31 December		6,887	8,409

Notes to the Consolidated Statement of Cash Flows	2023 £'000	2022 £'000
A. Reconciliation of net expenditure to net cash flow from operating activities		
Net expenditure	(3,135)	(6,258)
Adjustments for:		
Depreciation	12	127
Profit on disposal of fixed assets		(619)
Losses on investments	10	2,108
Dividends, interest and rents from investments	3	(2,032)
Decrease in stock		13
Decrease in creditors	16	(44)
Pension contributions	23	(87)
Change in pension liability	23	-
Decrease in debtors	15	430
Net cash used in operating activities	(3,239)	(3,181)

Analysis of changes in net funds	At 1 January 2023 £'000	Cash flows £'000	At 31 December 2023 £'000
B. Analysis of cash and cash equivalents and net debt			
Cash	8,409	(1,522)	6,887
Borrowings			
Debt due within one year	(500)	500	-
	(500)	500	-
	7,909	(1,022)	6,887

PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies are summarised below

BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2021) second edition issued October 2021 and the Financial Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a ‘true and fair’ view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a ‘true and fair view’. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2021) second edition issued October 2021 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared in the Group’s functional currency, Sterling (£) and are stated in £’000s.

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

BASIS OF CONSOLIDATION

The financial statements consolidate those of the Charity, its subsidiary undertakings and its shares in joint ventures drawn up to 31 December each year. The results and balance sheets of the subsidiaries controlled by the Charity have been consolidated on a line by line basis. Control is achieved where the Charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Branch and committee accounts (including those overseas) have been included in the Charity’s and consolidated financial statements on a receipts and payments basis but adjusted for any accruals or prepayments where material.

CHARITY STATEMENT OF CASH FLOWS

The Trustees have taken the exemption available under Para 1.11 of FRS 102 not to present a separate Charity Statement of Cash Flows.

GOING CONCERN

The financial statements have been prepared on the basis that the Charity is a going concern. The Trustees consider that there are no material uncertainties about the Charity’s ability to continue as a going concern. The Charity had £47.1 million in unrestricted funds at 31 December 2023. The Trustees therefore consider that the Charity has adequate resources to sustain operations for the foreseeable future.

The Charity has access to a Revolving Credit Facility (RCF) to ensure that it can meet all its liabilities in the event of reduced incoming cash flows. The Trustees therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

INCOME

All income whether restricted or unrestricted is recognised in the Consolidated Statement of Financial Activities when the Group has entitlement to the funds, the amount can be quantified reliably and it is probable that the income will be received.

Donations and other income generated from fundraising are recognised gross on a receivable basis. In the event that the donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and gifts in kind are recognised as income when the Charity has control over the item or service, any conditions associated have been met, the receipt of economic benefit from the use by the Charity is probable and when economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the time of the Charity’s many volunteers is not recognised. However, refer to the annual Trustees’ Report for details of their substantial contribution to the Charity.

Legacies are recognised once the receipt of the legacy becomes probable and quantifiable. Pecuniary legacies are usually recognised at the point that probate is granted. For residuary legacies, this will usually be at the earlier of cash receipt or when confirmation has been received from the representatives of the estates that payment will be made or property will be transferred and once all the conditions attaching to the legacies have been fulfilled. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material (see note 19).

Investment income is recognised when receivable.

Grants receivable from service funds and other charities for specific cases, which have not been almonised at the end of the year, are accrued and included as current liabilities. These amounts will be paid in the following year or returned to the relevant providers.

Fundraising income arises from a mixture of events and activities undertaken on a central and branch-wide basis and is recognised when receivable.

Health and welfare includes income generated from the provision of health and social care services to British Forces personnel and their dependants around the world. In calculating revenue on contracts, the Group makes certain estimates in respect to the compliance with performance-related indicators which the

contracts are subject to. A different assessment may result in a different value being determined for revenue.

Care and accommodation income is generated through the provision of these services to the Charity’s beneficiaries at a number of residential homes and cottages held by the Charity, and income from residential fees and other services is recognised when the income has been earned.

Adoption income arises through the provision of an adoption agency service for placing children with military families and is recognised when placements have been secured.

Other income includes credit interest on the defined pension asset.

EXPENDITURE AND THE BASIS OF ALLOCATION OF COSTS

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

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings within the costs of raising funds and charitable activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity.

Costs of raising funds are those incurred in attracting voluntary income (including through the holding of events, appeals and other fundraising initiatives), and those incurred in generating income from trading activities.

COSTS OF CHARITABLE ACTIVITIES INCLUDE THE FOLLOWING:

Grant payments made to or on behalf of individuals in the furtherance of the Charity’s charitable object.

Grant-aided activities relate to costs associated with providing health and social care services to British Forces personnel and their dependants in far commands.

Health and welfare expenditure includes the direct costs of the welfare department at central office, with allocated communication and marketing costs, volunteer support costs (including training), branch and committee case work costs and branch office and staff costs in the provision of advice and assistance to those in need. This expenditure relates to the core services to British Forces personnel and their dependents around the world.

Care and accommodation expenditure primarily relates to the running costs of the Charity’s homes and other accommodation, and the care services provided to the Charity’s beneficiaries therein.

Adoption expenditure relates to staff and sessional staff costs together with departmental running costs and facilitation of the Adoption Panel.

Support costs include central functions, such as management, finance, human resources and information technology. Governance costs are those associated with running the Charity, including Council and Committee expenses, audit and other costs associated with constitutional and statutory requirements. Support and governance costs are

allocated across the categories of costs on the basis of staff numbers engaged in the activities therein as shown in note 6. The administrative charges for the provision of grant-aided activities and the provision of health and welfare services are calculated in accordance with the contractual agreements and directly charged to the relevant cost categories.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets (excluding investment properties) are stated at cost and depreciated in equal instalments from either the date of purchase or the date brought into use at the following rates:

Land	Nil
Freehold buildings	50 years
Long leasehold buildings	50 years
Furniture and fittings	5 years
IT equipment	3 years
Motor vehicles down to 10%	Over 3 years

Additions to furniture, fittings and IT equipment valued at less than £2,000 are fully written off as revenue expenditure in the year of purchase unless they form part of a larger-scale project.

INVESTMENT PROPERTIES

Investment properties for which fair value can be measured reliably on an ongoing basis are measured at fair value annually with any change being recognised in the Consolidated Statement of Financial Activities.

IMPAIRMENT OF ASSETS

At each year end, fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared to its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of Financial Activities.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Financial Activities.

INVESTMENTS

Listed investments are included at bid price (which is deemed to be market value) at the balance sheet date and the Consolidated Statement of Financial Activities shows net investment gains and losses arising from revaluation of the investment portfolio and disposals during the year. Realised gains and losses on investments are calculated as the difference between the sales proceeds and their market value at the start of the year or their subsequent cost and are charged or credited to the Statement of Financial Activities in the year of disposal. Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on market value at the year end.

Investments in subsidiaries are held at cost less impairment in the individual Charity financial statements.

Social investments include investment in other charities which have charitable objects in common with SSAFA and are measured at cost less impairment in the financial Statements of both the individual Charity and the Group.

Amounts held on short-term deposit with banks with maturity dates of between three months and a year are recognised at cost in current asset investments.

FINANCIAL INSTRUMENTS

Both Group and Charity have only financial assets and financial liabilities of a kind that qualify as basic financial instruments.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

CREDITORS AND PROVISIONS

Short term trade creditors are measured at the transaction price, other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using an appropriate discount rate. The unwinding of the discount is recognised as a finance cost in the surplus or deficit in the period it arises.

FUNDS ACCOUNTING

Unrestricted funds

General funds are unrestricted funds that are available for use at the discretion of Council in furtherance of the objectives of the Charity.

Designated funds are unrestricted funds set aside at the discretion of Council for specific purposes. Details of designated funds held are given in note 17.

A pension reserve is shown separately within unrestricted funds to reflect the long-term, non-liquid nature of the pension liability.

Restricted funds

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose and the restriction means that the related funds can only be used for the specific activities. Details of restricted funds held are given in note 17.

Except for The Royal Homes fund, no interest on cash balances is allocated to restricted funds, and no overheads or support costs are allocated except where material costs are incurred by a specific fund. Interest earned on restricted funds and most overhead and support costs if reasonably allocated are considered to be of low value. For both unrestricted and restricted funds, both the income and any investment gain or loss have been allocated to the individual funds holding the investment.

Any Gift Aid recovered on donations is treated as part of the related gift in either unrestricted or restricted funds respectively, unless the donor or the terms of the appeal have specified otherwise.

OPERATING LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership of the leased assets to the Group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the Consolidated Statement of Activities on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Group recognises annual rent expense equal to amounts owed to the lessor.

FOREIGN CURRENCY

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purposes of the consolidated financial statements, the results and financial position are presented in Sterling (£).

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates to the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of the historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the Consolidated Statement of Financial Activities in the period in which they arise.

CONTRIBUTIONS TO PENSION SCHEMES

The Group operates a defined benefit pension scheme that requires contributions to be made to a separately administered fund.

Scheme assets are measured at fair values. Scheme liabilities are measured annually on an actuarial basis using the projected unit method, and are discounted at appropriate high-quality corporate bond rates of equivalent currency and term of the scheme liabilities. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the Group.

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised over the period in which the benefit changes vest.

Interest on the scheme liabilities and the expected return on scheme assets are included in net interest payable.

The discount rate for the liabilities and the expected return on the assets is the same and is based on yield curve of high-quality corporate bonds.

Actuarial gains and losses are reported as recognised gains and losses in the Consolidated Statement of Financial Activities.

The Group also operates defined contribution schemes which are multi-employer schemes for which the assets and liabilities cannot be identified separately for the Group members. Pension costs charged in the Consolidated Statement of Financial Activities represent the contributions payable by the Group in the year.

TAXATION

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable object.

Corporation tax is chargeable on the profits generated by the subsidiary companies. These liabilities are recorded in the subsidiary company financial statements and relief against liabilities claimed on distribution of the profits to the parent charity.

Irrecoverable value-added tax is allocated to the category of expenditure to which it relates.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described above, Council are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

NHS defined benefit pension scheme

The Group does not have sufficient information to account reliably for its share of the defined benefit obligation and plan assets and has therefore accounted for the scheme as a defined contribution scheme.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Accrued legacy income

The Group adopts a prudent approach to accounting for legacies to which it is entitled but which have not been realised as cash. For those legacies where there is uncertainty surrounding the measurement of the assets due to a lack of estate accounts no provision is made. Where estate accounts exist but include properties which are not . All estate values are estimated net of administration fees of 5% (2022 - 5%).

Defined benefit pension

The Charity estimates the pension liabilities to the members of the defined benefit local government scheme based on assessments set to market conditions at the year end. The estimates are sensitive to the discount rates and life expectancy assumptions. A discount rate change of 0.1% would result in a change in the valuation of the liability of £1 million and a 1 year change in the life expectancy would result in a change of £4 million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000
1. DONATIONS AND LEGACIES						
Group						
Donations	4,266	2,559	6,825	4,040	1,830	5,870
Legacies	4,119	32	4,151	5,089	201	5,290
	8,385	2,591	10,976	9,129	2,031	11,160
Charity						
Donations	5,324	2,559	7,883	4,665	1,607	6,272
Legacies	4,119	32	4,151	5,089	201	5,290
	9,443	2,591	12,034	9,754	1,808	11,562

The Charity received donations from its subsidiary companies of £1,490,000 in respect of 2023 results (2022: £1,243,000).

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000
2. INCOME FROM CHARITABLE ACTIVITIES						
Group						
Contributions from services and charities for individuals	-	10,124	10,124	-	9,528	9,528
Community health and social services — overseas	-	413	413	-	428	428
Health and welfare contracts	6,150	-	6,150	5,991	-	5,991
Group health and welfare	6,150	413	6,563	5,991	428	6,419
Care and accommodation contributions						
Stepping Stone Homes	272	-	272	225	-	225
Residential homes and cottages	108	-	108	103	-	103
Royal Homes	-	554	554	-	546	546
Other	97	-	97	93	-	93
Group care and accommodation contributions	477	554	1,031	421	546	967
Adoption income						
Adoption income	465	-	465	237	-	237
Total income from charitable activities	7,092	11,091	18,183	6,649	10,502	17,151
Charity						
Contributions from services and charities for individuals	-	10,124	10,124	-	9,528	9,528
Community health and social services — overseas						
Community health and social services — overseas	-	413	413	-	428	428
Care and accommodation contributions						
Stepping Stone Homes	272	-	272	225	-	225
Residential homes and cottages	108	-	108	103	-	103
Royal Homes	-	554	554	-	546	546
Other	97	-	97	93	-	93
Charity care and accommodation contributions	477	554	1,031	421	546	967
Adoption income						
Adoption income	465	-	465	237	-	237
Total income from charitable activities	942	11,091	12,033	658	10,502	11,160

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000
3. INCOME FROM INVESTMENTS						
Group						
Listed investments	1,099	99	1,198	1,047	106	1,153
Bank deposits and unquoted investments	27	-	27	5	-	5
Rental income	807	-	807	431	-	431
Total investment income	1,933	99	2,032	1,483	106	1,589
Charity						
Listed investments	1,099	99	1,198	1,047	106	1,153
Bank deposits and unquoted investments	24	-	24	3	-	3
Rental income	807	-	807	431	-	431
Total investment income	1,930	99	2,029	1,481	106	1,587

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000
4. OTHER INCOME						
Group						
Disposal of fixed assets	619	-	619	522	-	522
Other finance income on defined pension surplus	213	-	213	-	-	-
Other income	35	-	35	49	-	49
Total other income	867	-	867	571	-	571
Charity						
Disposal of fixed assets	619	-	619	522	-	522
Management charges to subsidiary undertakings	838	-	838	838	-	838
Salary charges recharged to subsidiary	3,838	-	3,838	3,979	-	3,979
Other finance income on defined pension surplus	213	-	213	-	-	-
Other income	35	-	35	-	-	-
Total other income	5,543	-	5,543	5,339	-	5,339

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

5. EXPENDITURE	Activities undertaken directly £'000	Support costs (see note 6) £'000	Total 2023 £'000	Total 2022 £'000
Group				
Raising funds				
Fundraising activities	3,370	44	3,414	3,443
Raising voluntary income	76	800	876	844
Other trading activities	156	-	156	240
	3,602	844	4,446	4,527
Charitable activities				
Supporting clients	19,983	2,499	22,482	21,735
Provision of 'Grant Aided' activities	348	30	378	393
Health and welfare	4,358	818	5,176	4,816
Care and accommodation	1,881	251	2,132	2,381
Adoption services	406	102	508	562
	26,976	3,700	30,676	29,887
Other expenditure	25	-	25	2
Total resources expended	30,603	4,544	35,147	34,416

Fundraising includes the cost of 'attracting' all voluntary income into the Charity.

Charity	Activities undertaken directly £'000	Support costs (see note 6) £'000	Total 2023 £'000	Total 2022 £'000
Raising funds				
Fundraising activities	3,341	44	3,385	3,439
Raising voluntary income	76	798	874	838
	3,417	842	4,259	4,277
Charitable activities				
Supporting clients	19,663	2,492	22,155	20,702
Provision of 'Grant Aided' activities	348	30	378	393
Health and welfare	170	818	988	894
Care and accommodation	1,881	250	2,131	2,379
Adoption services	406	102	508	562
	22,468	3,692	26,160	24,930
Other expenditure - payroll costs for subsidiary companies	3,792	-	3,792	3,834
Total resources expended	29,677	4,534	34,211	33,041

Fundraising includes the cost of 'attracting' all voluntary income into the Charity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

5. EXPENDITURE cont.

SUPPORTING CLIENTS - WELFARE AND GRANTS PAYABLE	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000
Group						
Casework	9,588	11,506	21,094	8,942	10,694	19,636
Specialist services	582	682	1,264	310	954	1,264
Military Wives Choirs	124	-	124	497	338	835
	10,294	12,188	22,482	9,749	11,986	21,735

All grants were paid to or on the behalf of eligible individuals.

SUPPORTING CLIENTS - WELFARE AND GRANTS PAYABLE	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000
Charity						
Casework	9,261	11,506	20,767	8,744	10,694	19,438
Specialist services	582	682	1,264	310	954	1,264
Military Wives Choirs	124	-	124	-	-	-
	9,967	12,188	22,155	9,054	11,648	20,702

OTHER EXPENDITURE	2023	2023	2023	2022	2022	2022
Group	Unrestricted £'000	Restricted £'000	Total £ '000	Unrestricted £'000	Restricted £'000	Total £'000
Loan interest	25	-	25	2	-	2
	25	-	25	2	-	2

OTHER EXPENDITURE	2023	2023	2023	2022	2022	2022
Charity	Unrestricted £'000	Restricted £'000	Total £ '000	Unrestricted £'000	Restricted £'000	Total £'000
Payroll costs for subsidiaries	3,767	-	3,767	3,832	-	3,832
Loan interest	25	-	25	2	-	2
	3,792	-	3,792	3,834	-	3,834

The administrative charges for the provision of 'grant-aided' activities and the provision of health and welfare services charge include support costs and are calculated in accordance with the contract agreements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

6. SUPPORT COSTS	Management £'000	Finance £'000	Human Resources £'000	Information Technology £'000	Facilities £'000	Governance £'000	Total 2023 £'000	Total 2022 £'000
Group								
Raising funds	27	56	158	266	286	51	844	807
Charitable activities								
Grants payable	82	166	468	788	846	149	2,499	2,359
Care and accommodation	8	17	47	79	85	15	251	312
Adoption	3	7	19	32	35	6	102	117
	120	246	692	1,165	1,252	221	3,696	3,595
				Health and welfare services			818	818
				Grant-aided activities			30	30
				Total support costs			4,544	4,443

	Management £'000	Finance £'000	Human Resources £'000	Information Technology £'000	Facilities £'000	Governance £'000	Total 2023 £'000	Total 2022 £'000
Charity								
Raising funds	27	54	158	266	286	51	842	801
Charitable activities								
Grants payable	82	159	468	788	846	149	2,492	2,343
Care and accommodation	8	16	47	79	85	15	250	310
Adoption services	3	7	19	32	35	6	102	117
	120	236	692	1,165	1,252	221	3,686	3,571
				Health and welfare services			818	818
				Grant-aided activities			30	30
				Total support costs			4,534	4,419

	2023 £'000	2022 £'000
Governance costs include:		
Council, AGM & Committee expenses	3	3
Annual reports	3	5
Audit	73	76
Legal and professional	80	74
Apportionment of employee costs	62	60
	221	218

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

7. NET EXPENDITURE	2023 £'000	2022 £'000
This is stated after charging/(crediting):		
Fees payable to the Charity's auditor		
Audit of the Charity's accounts	49	46
Audit of subsidiaries	24	30
Total audit fees	73	76
Non-audit fees: Taxation compliance services	5	5
Depreciation of tangible fixed assets	127	169
Expenditure on fixtures, fittings & equipment written off	112	201
Profit on disposal of fixed assets	(619)	(522)
Amounts paid under operating leases (see below)	60	60

The Group's future minimum operating lease payments are as follows:	2023 £'000	2022 £'000
Within one year	74	71
In two to five years inclusive	60	65

The Charity's future minimum operating lease payments are as follows:	2023 £'000	2022 £'000
Within one year	61	46
In two to five years inclusive	60	52

	Non MOD 2023 £'000	MOD 2023 £'000	Total 2023 £'000	Non MOD 2022 £'000	MOD 2022 £'000	Total 2022 £'000
8. EMPLOYEE AND STAFF COSTS						
Staff costs during the year were as follows:						
Wages and salaries	9,282	3,187	12,469	9,214	2,972	12,186
Social security costs	866	263	1,129	900	271	1,171
Other pension costs	747	198	945	679	213	892
Total staff costs	10,895	3,648	14,543	10,793	3,456	14,249
Agency locums and other contractors	510	232	742	433	191	624
Total labour costs	11,405	3,880	15,285	11,226	3,647	14,873

Redundancy costs of £162,000 (2022: £70,000) are included above. These are recognised when a constructive obligation arises. At the year end redundancy costs of £87,000 (2022 - £nil) were accrued.

In addition, a great amount of time is donated by thousands of volunteers throughout the world. Trustees and employees are extremely grateful for this support without which the Charity would be unable to provide such a comprehensive range of services to beneficiaries. Due to the costs involved in quantifying this the Trustees do not consider it possible to reflect this in the financial statements.

	Non MOD 2023 Number	MOD 2023 Number	Total 2023 Number	Non MOD 2022 Number	MOD 2022 Number	Total 2022 Number
The number of employees paid by the Charity whose emoluments, excluding employer's pension contributions, exceeded £60,000 in the year were as follows:						
£60,001 to £70,000	7	-	7	7	-	7
£70,001 to £80,000	2	-	2	3	1	4
£80,001 to £90,000	2	1	3	2	-	2
£90,001 to £100,000	2	-	2	1	-	1
£130,001 to £140,000	-	-	-	1	-	1
£140,001 to £150,000	1	-	1	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

8. EMPLOYEE AND STAFF COSTS Cont.

The key management personnel of the Charity comprise the Controller and the members of the Management Board. The cost of employing management personnel for the Charity was therefore £816,000 (2022: £809,000).

The average number of UK contracted staff throughout the year for the Group and the Charity, analysed by activity, was:

	Non-MOD 2023 Number	MOD Contracts* 2023 Number	Total 2023 Number	Non-MOD 2022 Number	MOD Contracts* 2022 Number	Total 2022 Number
Voluntary income	3	-	3	3	-	3
Raising funds	54	-	54	52	-	52
Grants payable	169	-	169	160	-	160
Care and accommodation	17	-	17	21	-	21
Adoption services	7	-	7	8	-	8
Health and welfare	-	104	104	-	105	105
Community health and grant-in-aid	-	8	8	-	8	8
Management and support	33	-	33	36	-	36
Total staff numbers	283	112	395	280	113	393

* Information for staff engaged in the provision of medical and social welfare services to the MOD has been provided to differentiate them from staff primarily engaged in the provision of services to beneficiaries.

9. TRUSTEE REMUNERATION

Lady Walmsley has a controlling interest in Ashbourne Strategic Consulting Limited, a company which received fees of £nil (2022 - £12,000) from the Charity for her role as Chair of the London Carol Concert Committee as approved by Trustees.

Other Trustees are not remunerated. They are reimbursed expenses or amounts are paid on their behalf for attending meetings and duties directly related to their duties as Trustees.

In 2023 total expenses of £8,000 (2022 £6,000) were paid for 9 Trustees (2022 - 7).

Trustee indemnity insurance is held as part of a wider policy covering staff and volunteers. The premium for Trustee insurance cannot be separately identified but is estimated at £2,500 (2022 - £2,500)

10. NET (LOSSES) /GAINS ON INVESTMENTS Group	Unrestricted £'000	Restricted £'000	Total 2023 £'000	Unrestricted £'000	Restricted £'000	Total 2022 £'000
Unrealised gains/ (losses) on listed investments	47	15	62	(4,364)	(488)	(4,852)
Fair value adjustment on investment properties	(2,170)	-	(2,170)	51	-	51
Net assets disposed of on disposal of subsidiary charity	-	-	-	(42)	(34)	(76)
Total net (losses)/gains on investments	(2,123)	15	(2,108)	(4,355)	(522)	(4,877)

Charity	Unrestricted £'000	Restricted £'000	Total 2023 £'000	Unrestricted £'000	Restricted £'000	Total 2022 £'000
Unrealised gains/(losses) on listed investments	47	15	62	(4,364)	(488)	(4,852)
Fair value adjustment on investment properties	(2,170)	-	(2,170)	51	-	51
Total net (losses)/gains on investments	(2,123)	15	(2,108)	(4,313)	(488)	(4,801)

NOTES TO THE FINANCIAL STATEMENTS

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11. TRANSFER OF FUNDS	Unrestricted 2023 £'000	Restricted 2023 £'000	Total 2023 £'000	Unrestricted 2022 £'000	Restricted 2022 £'000	Total 2022 £'000
Other transfers	(196)	196	-	34	(34)	-
Total transfers - charity	(196)	196	-	34	(34)	-
Military Wives Choirs	-	-	-	(8)	8	-
Total transfers - group	(196)	196	-	26	(26)	-

12. TANGIBLE FIXED ASSETS	Freehold properties £'000	Long leasehold properties £'000	Motor vehicles £'000	IT, furniture & equipment £'000	Total £'000
Group and Charity					
Cost					
At 1 January 2023	7,736	966	20	1,175	9,897
Disposals	(105)	-	(20)	-	(125)
At 31 December 2023	7,631	966	-	1,175	9,772
Depreciation					
At 1 January 2023	1,008	343	19	1,175	2,545
Charge for year	111	16	-	-	127
Eliminated on disposal	(21)	-	(19)	-	(40)
At 31 December 2023	1,098	359	-	1,175	2,632
Net book value					
At 31 December 2023	6,533	607	-	-	7,140
At 31 December 2022	6,728	623	1	-	7,352

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

13. INVESTMENTS	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Investments comprise:				
Freehold investment properties	7,771	9,942	7,771	9,942
Listed investments	29,008	29,700	29,008	29,700
Social investment	261	249	261	249
Investments in subsidiaries	-	-	10	10
	37,040	39,891	37,050	39,901

	Group Freehold £'000	Charity Freehold £'000
Investment properties at fair value		
As at 1 January 2023	9,942	9,942
Decrease in fair value in year	(2,171)	(2,171)
As at 31 December 2023	7,771	7,771

The freehold investment property, a part of the freehold SSAFA Headquarters property was revalued at 31 December 2023, based on a valuation undertaken by Jones Lang Lasalle, an independent valuer with recent experience in the location and classes of the investment properties being valued. The valuation was prepared in accordance with the RICS Valuation - Professional Standards, January 2014 as published by the Royal Institution of Chartered Surveyors on the basis of Fair Value for current use. NatWest Bank plc holds a charge over the property against which the Revolving Credit Facility is secured.

As set out in note 3, property rental income earned during the year was £807,000 (2022: £431,000). The freehold investment property is leased out under operating leases and the leasehold investment property formed part of a wider contractual arrangement. Direct operating expenses arising on the freehold investment property generated rental income in the year of £175,000 (2022 - £91,000).

At the balance sheet date, the Charity had contracted with tenants for the following future minimum lease payments:

	2023 £'000	2022 £'000
Within one year	392	405
In two to five years inclusive	1,114	849

Listed investments	Total £'000
Group:	
Market value:	
At 1 January 2023	29,700
Acquisitions	7
Receipts from disposals of investments	(761)
Realised and unrealised profits on revaluation	62
At 31 December 2023 – Group	29,008
Investment in subsidiary	10
At 31 December 2023 – Charity	29,018
Historical cost at 31 December 2023	23,229

	2023 £'000	2022 £'000
Listed investments are represented by:		
Armed Forces Charity Authorised Investment Fund Units	28,841	29,529
United Kingdom – Equities	167	171
	29,008	29,700

Investments within the portfolio which amount to more than 5% of total holdings as at 31 December 2023 were:

	2023 £'000	2022 £'000
Armed Forces Charity Authorised Investment Fund	28,841	29,529

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

13. INVESTMENTS Cont.	2023 £'000
Social investments	
At 1 January 2023	249
Investment	12
At 31 December 2023	261

Social investments are represented by the Military Wives Choirs Foundation, a Charity incorporated in England & Wales. Until 31 December 2022 SSAFA was the sole member of the Foundation, when it resigned and the Trustees of the Foundation became its members. The Military Wives Choirs Foundation runs over 70 choirs across the United Kingdom and overseas where there is a British military presence and provides welfare through singing to women in military families.

Subsidiary undertakings

As at the balance sheet date, the Charity owned the entire ordinary share capital (where applicable) of the following subsidiary undertakings:

Name	Holding	Activity
SSAFA Family Health Services	Limited by guarantee	Health and welfare services
SSAFA Forces Help Enterprises Limited	10,000 £1 ordinary shares	Sale of merchandise
SSAFA CMS Limited	100 £1 ordinary shares	Casework management system

Details of the subsidiaries' profit and loss accounts are as given below. These undertakings (excluding the charitable subsidiary) donate their taxable profits to the Charity each year.

The assets and liabilities of each subsidiary as extracted from the latest financial statements were:

	SSAFA Family Health Services		SSAFA Forces Help Enterprises Limited		SSAFA CMS Limited	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Total assets	715	799	209	349	295	111
Total liabilities	(520)	(357)	(92)	(252)	(293)	(109)
	195	442	117	97	2	2
Represented by:						
Share capital	-	-	10	10	-	-
Reserves	195	442	107	87	2	2
	195	442	117	97	2	2
The results for the year were:						
Income	6,207	5,991	352	606	442	377
Expenditure	(5,072)	(4,843)	(224)	(268)	(442)	(376)
Net income/(expenditure)	1,135	1,148	128	338	-	1
Donation to charity under Gift Aid	(1,382)	(888)	(108)	(365)	-	-
Reserves brought forward	442	182	87	114	2	1
Retained in subsidiary	195	442	107	87	2	2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14. CURRENT INVESTMENTS

Short-term treasury deposits

	Short-term treasury deposits 2023 £'000
As at 1 January 2023	-
Additions	1,262
As at 31 December 2023	1,262

15. DEBTORS

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Trade debtors	685	964	389	244
Amounts owed by subsidiary undertakings	-	-	304	347
Other debtors	44	61	-	4
Prepayments and accrued income	4,068	4,202	4,038	4,079
Total debtors	4,797	5,227	4,731	4,674

Amounts owed by Group undertakings are repayable on demand and no interest is payable. All amounts are due within one year.

16. CREDITORS

Amounts falling due within one year:

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Bank loans	-	500	-	500
Trade creditors	371	723	359	552
Other tax and social security costs	490	508	471	506
Other creditors	481	333	268	219
Unalmonised grants	1,289	1,464	1,289	1,464
Accruals and deferred income	972	619	615	557
Total creditors	3,603	4,147	3,002	3,798

The Charity has a revolving credit facility with Natwest ending on 31 December 2025 to borrow up to £5 million, which is secured against freehold property. At the year end there were no amounts borrowed against this facility (2022 - £500,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

17. FUNDS	Balance at 1 January 2023 £'000	Incoming resources £'000	Resources expended £'000	Other movements £'000	Transfers £'000	Balance at 31 December 2023 £'000
General funds	49,255	20,029	(21,233)	(2,124)	(283)	45,644
Designated funds						
Carmichael Walker Fund	400	6	(9)	1	-	398
Royal Patriotic Fund	1,114	-	(66)	-	-	1,048
Total designated funds	1,514	6	(75)	1	-	1,446
Pension reserve	-	213	(213)	(87)	87	-
Total unrestricted funds	50,769	20,248	(21,521)	(2,210)	(196)	47,090
Restricted funds						
Welfare and case grants	518	1,069	(1,102)	-	-	485
Housing	452	81	(78)	-	-	455
UK Armed Forces and other charities	-	10,124	(9,994)	-	(130)	-
UK Armed Forces 'grant-aided' activities	-	413	(378)	-	(35)	-
The Royal Homes	1,468	606	(932)	8	267	1,417
Miscellaneous branch funds	2,355	236	-	7	94	2,692
Adoption services	150	-	(50)	-	-	100
Welfare funds	1,045	1,343	(1,092)	-	-	1,296
Total restricted funds — Charity and Group	5,988	13,872	(13,626)	15	196	6,445
Total funds - Group	56,757	34,120	(35,147)	(2,195)	-	53,535
General funds						
SSAFA Family Health Services	(442)					(194)
SSAFA Forces Help Enterprises Limited	(80)					(110)
SSAFA CMS Limited	(2)					(2)
Total funds — Charity	56,233					53,229

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

17. FUNDS (continued)	Balance at 1 January 2022 £'000	Incoming resources £'000	Resources expended £'000	Other movements £'000	Transfers £'000	Balance at 31 December 2022 £'000
General funds	54,280	20,298	(20,916)	(4,298)	(109)	49,255
Designated funds						
Carmichael Walker Fund	452	12	(7)	(57)	-	400
Royal Patriotic Fund	1,150	-	(36)	-	-	1,114
Total designated funds	1,602	12	(43)	(57)	-	1,514
Pension reserve	-	-	(99)	(36)	135	-
Total unrestricted funds	55,882	20,310	(21,058)	(4,391)	26	50,769
Restricted funds						
Welfare and case grants	976	849	(1,302)	(5)	-	518
Housing	397	98	(43)	-	-	452
UK Armed Forces and other charities	-	9,528	(9,493)	-	(35)	-
UK Armed Forces 'grant-aided' activities	-	428	(394)	-	(34)	-
The Royal Homes	2,116	603	(978)	(273)	-	1,468
Miscellaneous branch funds	2,320	421	(211)	(210)	35	2,355
Adoption services	100	50	-	-	-	150
Welfare funds	1,119	525	(599)	-	-	1,045
Total restricted funds — Charity	7,028	12,502	(13,020)	(488)	(34)	5,988
Military Wives Choirs Foundation	141	223	(338)	(34)	8	-
Total restricted funds - group	7,169	12,725	(13,358)	(522)	(26)	5,988
Total funds - Group	63,051	33,035	(34,416)	(4,913)	-	56,757
General funds						
SSAFA Family Health Services	(182)					(442)
SSAFA Forces Help Enterprises Limited	(107)					(80)
SSAFA CMS Limited	(1)					(2)
Share of joint venture	-					-
Military Wives Choirs Foundation	(227)					-
Total funds — Charity	62,534					56,233

Funds are held for use for the following purposes:

General funds

General funds are available for use at the discretion of Council to further the Charity's objectives.

Designated funds

Carmichael Walker Fund — for use on charitable activities in the North East of England.

Royal Patriotic Fund — having accepted the funds and obligations of the Royal Patriotic Fund Corporation on 27 May 2011, the assets attaining have been designated for the purposes of the Royal Patriotic Fund Corporation.

Restricted Funds

Welfare and case grants - includes funding received from the Armed Forces Covenant Fund for four projects, Short Breaks, Mutual Support, Mental Health First Aid and Mentoring.

Homes from Home Appeal - to provide funding for families visiting injured servicemen and women at Norton House
UK Armed Forces and other charities - contributions received from these bodies to provide grants to individuals for welfare purposes
UK Armed Forces-Grant Aided - received under grant in aid to reimburse the costs incurred in the provision of Community Health and Social Services
The Royal Homes - a charity providing residential facilities linked with the Charity's activities under a Charity Commission Scheme in 1998
Miscellaneous branch funds - funds which have been received by branches for specific use in their local areas
Welfare funds - income or capital received which may only be applied in the provision of welfare services to eligible individuals in need
Included under this heading is The Aircrew Association Charitable Fund, a subsidiary charity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

18. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	General 2023 £'000	Designated 2023 £'000	Restricted 2023 £'000	Total 2023 £'000
Fund balances at 31 December 2023 are represented by:				
Tangible fixed assets	6,841	-	299	7,140
Investments	33,745	353	2,942	37,040
Net current assets	5,058	1,093	3,204	9,355
Total net assets between funds	45,644	1,446	6,445	53,535

Fund balances at 31 December 2022 are represented by:	General 2022 £'000	Designated 2022 £'000	Restricted 2022 £'000	Total 2022 £'000
Tangible fixed assets	7,050	-	302	7,352
Investments	36,479	352	3,060	39,891
Net current assets	5,726	1,162	2,626	9,514
Total net assets between funds	49,255	1,514	5,988	56,757

19. CONTINGENT ASSETS

The Charity exchanged contracts for the sale of a plot of land during the year with a contracted sale price of £2.9 million. The sale is due to complete in June 2024.

20. CONTINGENT LIABILITIES

The Charity had no contingent liabilities either at 31 December 2023 nor at 31 December 2022.

21. CAPITAL COMMITMENTS

The Group had no capital commitments either at 31 December 2023 nor at 31 December 2022.

22. BANK GUARANTEE

The Charity has guaranteed overdraft facilities for its charitable trading subsidiary, SSAFA Family Health Services, up to £1 million. As additional security, the bank holds a debenture over the assets of SSAFA Family Health Services.3

23. RETIREMENT BENEFITS

	2023 £'000	2022 £'000
Local Government Pension Scheme	87	135
Aviva Group Personal Pension Plan	865	751
NHS Pensions Scheme	5	7
Total contributions	957	893

Aviva Group Personal Pension Plan

SSAFA operates a defined contributions pension scheme for the benefit of SSAFA's employees. The assets of the scheme are administered by Trustees in a fund independent from those of the Charity. The charge for the year represents those contributions payable to the scheme in respect of the accounting period.

SSAFA had 318 active members in the scheme as at 31 December 2023 (2022: 334) and total pension scheme contributions outstanding at the year end amounted to £81,000 (2022: £80,000).

NHS Pensions Scheme

Following the transfer of staff to SSAFA from the MOD, SSAFA currently participates in the NHS Pensions Scheme. The NHS Pension Scheme is an unfunded multi-employer defined benefit scheme. The assets of the scheme are administered by NHS Pensions in a fund which is independent of SSAFA. The charge for the year represents those contributions payable to the scheme in respect of the accounting period. Entry into this scheme is strictly limited to employees transferring to SSAFA from the NHS and at 31 December 2023, the Association had 1 (2022:1) active members in this scheme.

The pension scheme contributions outstanding at the end of the accounting period amounted to £1,000 (2022: £1,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

23. RETIREMENT BENEFITS (continued)

Local Government Pension Scheme (LGPS)

SSAFA participates in a defined benefit scheme with contributions paid by the employer. The scheme is a multi-employer scheme administered by the London Pension Fund Authority (LPFA) and is only open to certain categories of SSAFA's employees. The scheme is closed to new members.

At 31 December 2023 the Association had 13 active members (2022: 16).

The last actuarial valuation of the scheme was at 31 March 2022 using the projected unit method and the attained age method, dependent on the fund being valued. At the valuation date the market value of the LPFA assets was £7,420m in comparison to the actuarial value of benefits that had accrued to members of £5,950m. Accordingly, as at 31 March 2022, there was a surplus of £1,470m. Although the London Pension Fund Authority is a multi-employer scheme, it has been able to allocate assets and liabilities relating to SSAFA Forces Help and these are disclosed below.

The employer contributed 11.7% during the year and the employee contribution rate ranges from 5.5% to 10.5% depending on the full-time annual rate of pay.

At 31 December 2023 the valuation was updated in accordance with FRS 102 and in line with the assumptions used in the 2023 scheme valuation. The major assumptions used by the actuary were:

Assumptions as at	31 December 2023	31 December 2022
	% p.a.	% p.a.
RPI increases	3.2%	3.2%
CPI increases	2.8%	2.8%
Salary increases	3.8%	3.8%
Pension increases	2.8%	2.8%
Discount rate	4.6%	4.9%

Mortality assumption

The post-retirement mortality tables are based on Club Vita analysis. These base tables are then projected using the CMI 2022 model allowing for a long-term rate of improvement of 1.25% per annum.

Assumptions: members will exchange half of their commutable pension for cash at retirement and active members will retire at one retirement age for all tranches of benefit, which will be the pension-weighted average tranche retirement age. No members will take up the option under the new LGPS to pay 50% of contributions for 50% of benefits.

Assets

The estimated asset allocation as at 31 December 2023 is as follows:

	31 December 2023	31 December 2022
	% p.a.	% p.a.
Equities	59%	56%
Target Return Portfolio	17%	19%
Infrastructure	12%	13%
Property	10%	10%
Cash	2%	2%
Total	100%	100%

None of the fair values of the assets shown above include any of the Group's own financial instruments or any property occupied by, or other assets used by the Group.

Statement of financial position as at 31 December 2023	2023 £'000	2022 £'000
Fair value of scheme assets (bid value)	146,479	139,076
Present value of funded obligations	(83,512)	(71,427)
Asset ceiling - restriction on recognising surplus	(62,967)	(67,649)
Net pension liability	-	-

At the year end the actuarial valuation was a surplus of £62,967,000. The Trustees consider the Charity has no right to any future economic benefits from the scheme despite the asset position and have not recognised an asset in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

23. RETIREMENT BENEFITS (continued)

Reconciliation of defined benefit obligation:	2023 £'000	2022 £'000
Opening defined benefit obligation	71,427	123,562
Current service cost	143	311
Interest cost	3,371	2,252
Change in financial assumptions	2,757	(51,220)
Change in demographic assumptions	(3,176)	-
Experience gain on defined benefit obligation	12,871	157
Contributions by Scheme participants	50	53
Estimated benefits paid (net of transfers in)	(3,931)	(3,688)
Closing defined benefit obligation	83,512	71,427

Reconciliation of fair value of employer assets:	2023 £'000	2022 £'000
Opening fair value of scheme assets	139,076	145,173
Interest on assets	6,654	2,653
Return on assets less interest	3,486	(3,227)
Administration expenses	(70)	(189)
Other actuarial gains/(losses)	1,127	(1,834)
Contributions by employer (including unfunded)	87	135
Contributions by scheme participants	50	53
Estimated benefits paid (net of transfers in and including unfunded)	(3,931)	(3,688)
Asset ceiling - restriction on recognising surplus	(62,967)	(67,649)
Closing fair value of employers assets	83,512	71,427

The actual loss on plan assets over the year ended 31 December 2023 was £10,140,000 (2022: £574,000 gain).

Fair value of the plan assets at the reporting period end	2023 £'000	2022 £'000
Equities	86,946	77,704
Gilts	25,371	26,949
Other bonds	17,222	17,533
Property	14,207	13,501
Cash	2,733	3,389
	146,479	139,076

Defined benefit costs recognised in the Statement of Financial Activities	2023 £'000	2022 £'000
Interest on liabilities	3,371	2,252
Interest on assets	(3,584)	(2,653)
Service cost	143	311
Administration expenses	70	189
Defined benefit costs recognised in the Statement of Financial Activities	-	99

The net interest on the net defined benefit asset comprises interest cost on the defined benefit obligation and interest income on plan assets excluding the effect of any surplus that is not recoverable in accordance with paragraph 28.22 of FRS 102. Therefore the net interest is restricted to £213,000

Comprehensive Income movement	2023 £'000	2022 £'000
Return of fund assets in excess of interest	(3,486)	3,227
Other actuarial gains on assets	(1,127)	1,834
Change in financial assumptions	2,757	(51,220)
Change in demographic assumptions	(3,176)	-
Experience gain on defined benefit obligation	12,871	157
Asset cap	(7,752)	46,038
Net loss	87	36

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

23. RETIREMENT BENEFITS (continued)

	2023 £'000	2022 £'000
Reconciliation of opening and closing deficit:		
Surplus/(deficit) at beginning of the year	67,649	21,611
Current service cost	(143)	(311)
Past service cost	-	-
Employer contributions	87	135
Other finance income	3,283	401
Actuarial gains/(losses)	(7,839)	46,002
Asset ceiling - restriction on recognising surplus	(62,967)	(67,649)
Administrative expenses	(70)	(189)
Deficit at end of the year	-	-

Sensitivity Analysis

The following table sets out the impact of a small change in the discount rate or mortality assumptions:	£'000s	£'000s	£'000s	£'000s	£'000s
Adjustment to discount rate	0.5%	0.1%	0%	-0.1%	-0.5%
Present value of total obligation	78,375	82,442	83,512	84,606	89,223
Projected service cost	131	144	147	151	166
Adjustment to long term salary increase	0.5%	0.1%	0%	-0.1%	-0.5%
Present value of total obligation	83,542	83,518	83,512	83,506	83,483
Projected service cost	148	147	147	147	147
Adjustment to pension increases and deferred revaluation	0.5%	0.1%	0%	-0.1%	-0.5%
Present value of total obligation	89,269	84,618	83,512	82,427	78,295
Projected service cost	166	151	147	144	130
Adjustment to life expectancy assumptions		+1 Year	None	-1 Year	
Present value of total obligation		87,341	83,512	79,865	
Projected service cost		153	147	142	

24. FINANCIAL ASSETS AND LIABILITIES

Group	2023 £'000	2022 £'000
Financial assets	37,886	39,134
Financial liabilities	3,113	3,639
Charity	2023 £'000	2022 £'000
Financial assets	37,011	38,406
Financial liabilities	2,531	3,292

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

25. RELATED PARTY TRANSACTIONS

The Charity had the following transactions with its wholly owned subsidiaries

	2023 £'000	2022 £'000
Management fees charged to SSAFA Forces Help Enterprises Limited	20	20
Donation received from SSAFA Forces Help Enterprises Limited under Gift Aid	108	365
Amount due from SSAFA Forces Help Enterprises Limited	6	129
Salary and management charges to SSAFA Family Health Services	4,675	4,797
Donation received from SSAFA Family Health Services under Gift Aid	1,382	888
Amount due from SSAFA Family Health Services	297	219
Salary costs recharged to SSAFA CMS Limited	187	193
Amounts charged from SSAFA CMS Limited	113	103

Guarantor:

The Charity is the Guarantor of a £1 million overdraft facility provided to SSAFA Family Health Services by Royal Bank of Scotland.

26. POST BALANCE SHEET EVENTS

During the year the Charity triggered its exit from the defined benefit pension scheme with the Local Government Pension Scheme. The Charity formally exited on 31 March 2024.

SSAFA, the Armed Forces charity is a trusted source of support for serving personnel, veterans and their families in their time of need. Our teams of trained volunteers and employees provide practical, emotional and financial assistance to the Armed Forces community enabling them to thrive.

SSAFA understands that behind every uniform is a person. And we are here for that person and their family, any time they need us and in any way they need us.

NEED TO TALK?

SSAFA's Forcesline is a free and confidential helpline providing advice and information for serving personnel, reserves, veterans and their families, and is completely independent of the chain of command.

■ Call **0800 260 6767** Lines open 09.00 to 17.30 weekdays

■ Visit **ssafa.org.uk/forcesline**

To make a donation to support our Armed Forces family:

■ Visit **ssafa.org.uk/give**



ssafa | the
Armed Forces
charity

Regulars | Reserves | Veterans | Families

SSAFA Queen Elizabeth House, 4 St Dunstan's Hill, London EC3R 8AD
Phone: 020 7463 9200 Web: ssafa.org.uk | X: @SSAFA
Facebook: SSAFA | Instagram: ssafa_armedforcescharity
Registered as a charity in England and Wales Number 210760 in
Scotland Number SC038056 and in Republic of Ireland Number
20232001. Established 1885.



THE SOLDIERS, SAILORS, AIRMEN AND FAMILIES ASSOCIATION - FORCES HELP

England & Wales - Charity number 210760

Accounts



ANNUAL REPORT AND ACCOUNTS 2022

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**The Soldiers', Sailors', Airmen's and Families' Association
- Forces Help**

Queen Elizabeth House, 4 St Dunstan's Hill
London EC3R 8AD
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Registered Charity Numbers

210760 (England and Wales)
SC038056 (Scotland)
149 (Gibraltar)
20212001 (Republic of Ireland)

Auditor

Moore Kingston Smith LLP, Statutory Auditor, Chartered
Accountants, 9 Appold Street, London EC2A 2AP

Bankers

Coutts & Co
440 Strand, London WC2R 0QS

Royal Bank of Scotland Plc
West End Commercial Centre, 1st Floor, Argyll House,
T/O 246 Regent Street, London W1B 3PB

Investment Managers

BlackRock Investment Managers Ltd,
12 Throgmorton Avenue, London EC2N 2DL

Solicitors

Withers LLP, 20 Old Bailey, London EC4M 7EG

A MESSAGE FROM OUR NATIONAL CHAIR

Welcome to our 2022 Annual Report and Accounts

War in Europe and the aftermath of the Pandemic have tightened the financial screws, leading to a cost-of-living crisis that challenges us all but especially the less well off; the Armed Forces family too. I am incredibly proud of what SSAFA achieved in 2022 for our beneficiaries, and how our volunteers, employees and partner organisations have worked together to provide vital, life-changing support to 59,439 people wherever and whenever they needed our help.

Through our network of branches in local communities and service community teams on military bases, our employees and more than 2,500 volunteers offered practical, financial, and emotional support to the Armed Forces family. This report reflects their unwavering commitment and tireless work, and how alongside your generous contributions and support, we have been able to accomplish incredible things over the past year.

SSAFA's refreshed strategy was well timed, not least as the spiralling cost of living will lead to increasing hardship for the foreseeable future. The Strategy positions the Charity to meet new and existing challenges and it reflects what we have learned as an organisation during the last five years, as well as addressing the current climate. We are now better placed to make a difference in the lives of countless individuals and communities.

Our tailored support services include the Crisis Fund which restarted in June and provided immediate financial support totalling £12,660 to 323 beneficiaries. Our mentoring programme saw a 15% increase in the number of people supported, with the complexity of cases continuing to increase. Glasgow's Helping Heroes supported 402 people in the city, an increase of more than 30% on 2021. And over 1,600 people received support through our housing services.

Forcesline, our free confidential helpline and webchat service, handled more than 33,600 enquiries, up 22% on last year, also our highest volume ever. In the second half of the year and trending into 2023 we have seen a dramatic increase in requests from people unable to afford to eat or pay utility bills.

We aim to grow and improve our brand presence to assist beneficiaries seeking help, target volunteers and employees who want to work for the Charity and grow one-off donors into life-long supporters of SSAFA. Investment in fundraising, supporting our volunteers and growing our collaborations across the charity sector are all vital to secure SSAFA's future. Understanding the needs of our beneficiaries through insight and lived experience is also critical, so that we can continue to deliver effective, consistent support, and be aware of their changing needs.

Finally, none of this would have been possible without our incredible volunteers, and our many corporate and commercial partners, who continue to provide much needed resources. I am humbled by their unwavering dedication and commitment, and sincerely thank them for everything they do. We are determined to support the Armed Forces family; to be there for its people in their time of need.



Lieutenant General
Sir Gary Coward KBE CB
National Chair

SSAFA’S GOVERNANCE STRUCTURE

This page provides an overview of SSAFA’s governance structure.

SSAFA is governed by a Trustee body, referred to as SSAFA Council, with our National Chair the Chairman of Council.

Officers of the Association (National Chair, National Vice Chair, Deputy National Chair and Honorary Treasurer) and Members of the Council are all Trustees. They are incorporated as a body operating under the Association’s Royal Charter. One third of our Trustees are required to retire each year but are eligible for re-election by the Association.

Trustees are ultimately responsible for all matters concerning governance, strategic direction, legal operation and financial probity. They exercise authority only when making a majority decision at a duly constituted meeting of Council, comprising between seven and 17 members.

Our Chief Executive, known as the Controller, is responsible to the charity’s Trustees for the management of SSAFA’s global activities. The Controller chairs the Management Board, which oversees SSAFA’s wide range of activities in support of the Armed Forces community.

PATRON

PRESIDENT

HRH Prince Michael of Kent

VICE PRESIDENTS

Lady Carleton-Smith (ret. June 2022)
Lady Carter (ret. April 2022)
The Lady Dannatt
The Baroness Fookes
Lieutenant Colonel Colin Hogg
The Lady Houghton
The Lady Walker
Lady Sanders (from August 2022)
Mrs Wendy Burns (from October 2022)
Lady Hockenhull (from October 2022)
Lady Wigston (from November 2022)

NATIONAL CHAIR

Lieutenant General Sir Gary Coward

NATIONAL VICE CHAIR

Wing Commander Kirsty Bushell

DEPUTY NATIONAL CHAIR

Colonel Stephen Oxlade

HONORARY TREASURER

Mr David Rowe

COUNCIL MEMBERS

Mr Nick Baughan
Mr James Carleton (ret. March 2023)
Ms Alex Milner (from January 2022)
Mr Robert Murphy (ret. December 2022)
Air Vice-Marshal Charles Ness
Ms Kate Pennell
Mrs Evelyn Strouts
Dr Diana Wood (ret. August 2022)
Mr Timothy Seal (appointed December 2022)
Mr Pravinkumar Navekar (from December 2022)
Ms Michelle Alston (from December 2022)
Alexandra, Lady Walmsley (from January 2022)

CONTROLLER

Lieutenant General Sir Andrew Gregory

SECRETARY AND FINANCE DIRECTOR

Mr Simon Blum

SSAFA’s Council meets on a quarterly basis and ensures the charity is carrying out its purposes for the benefit of our beneficiaries, is accountable, and complies with our governing documents and the law, as well as ensuring our resources are managed responsibly.

There are also several standing Council agenda items which include;

Safeguarding, Fundraising & Marketing Communications, Equality Diversity & Inclusion, as well as Data Protection and Information Management - which is managed by an independent Data Protection Officer.

SSAFA COMMITTEES

SSAFA has a number of committees overseeing different work streams. Each is chaired by a Trustee with the intention of providing advice and support for our Council in governance in order to achieve the objectives of the charity.

The following committees meet on a quarterly basis:

- Risk Committee, responsible for ensuring that SSAFA and its subsidiaries conduct their business to the highest standard of probity, reporting to Council thereon.
- Finance Committee, responsible for ensuring that SSAFA’s financial position is sustainable and advising Council accordingly.
- Fundraising & Marketing Committee, responsible for advising Council on fundraising, marketing and communication matters, encompassing internal and external communications channels/platforms used, focusing on their impact and effectiveness.
- Regional Chairs Committee, a consultative non-executive body with responsibility for effective two-way communication and facilitation between Council, committees, volunteers and employees, reporting to Council.
- Governance Committee, responsible for making decisions about governance, human resources, remuneration, honours and awards, reporting to Council.
- Safeguarding Board, responsible for ensuring beneficiaries , volunteers and employees are kept safe and supported with policies, training and guidance when dealing with any safeguarding concerns and complex casework.

Under the authority of Council, SSAFA operates three subsidiary companies and one incorporated charity:

- SSAFA Family Health Services,
- SSAFA Forces Help Enterprises Limited,
- SSAFA CMS Limited,
- The Military Wives Choirs Foundation (until 31 December 2022).

For further information and governance details, please refer to pages 14-15.

TRUSTEES' REPORT

We, the Trustees, are pleased to present the annual Trustees' Report and the consolidated financial statements of the Charity. These financial statements comply with SSAFA's governing document, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Act (Gibraltar) 1962-12, the Charities Act 2009 (Republic of Ireland) and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OUR CHARITABLE OBJECT AND ACTIVITIES FOR THE PUBLIC BENEFIT

SSAFA is a public benefit entity. The Trustees have given due consideration to the Charity Commission published guidance on the operation of the Public Benefit requirement, and confirm that the objects of SSAFA, as established and incorporated, are to relieve the need, suffering and distress of all those who are serving or have served in the Armed Forces of the Crown, and their families and dependants. There are only two criteria for assistance: eligibility and need.

Crucial to the successful delivery of all our charitable activities is a network of more than 2,500 volunteers across the globe; a decrease of 26% which is mainly due to the reduced numbers of caseworkers across all regions. It is impossible to quantify the value of our volunteers' contribution in monetary terms, and therefore no amounts are recorded in the financial statements.

DURING 2022, SSAFA'S SERVICES FOCUSED ON:

Welfare advice and support — our network of branches in local communities and service committees (serving community teams) on military bases offers practical, financial and emotional support. We help serving personnel, both regulars and reserves, veterans and their families, with everything from financial hardship to family breakdown.

Tailored support services — our wide range of services are designed to meet the specific needs of the Forces community and are run by SSAFA employees, with support from teams of volunteers. We mentor service leavers and their families as they transition from the military to civilian life, support veterans and their families in the criminal justice system, provide a support service

to the UK Gurkha veteran community and, with Glasgow City Council, provide welfare and wellbeing support to members of the Armed Forces family in Glasgow. We also help veterans struggling with disability, sourcing practical items such as mobility aids or replacing household goods. Our free confidential helpline, Forcesline, provides a wide range of financial, practical, and emotional support to the Armed Forces community. We offer long-term accommodation for older and disabled veterans, and we have short-term housing available for families of injured service personnel, as well as for women and children affected by domestic violence from families serving in the Armed Forces.

We run a series of support groups; ranging from families affected by injury or bereavement to those affected by the suicide of a loved one as well as a support forum, the Forces Additional Needs and Disability Forum (FANDF) for those in the military who have a family member with an additional need or disability. We also provide short break holidays for those Forces families with additional needs and disabilities. In addition, we operate the UK's only adoption agency specifically designed for Armed Forces serving personnel, which is Ofsted-rated as 'Outstanding'. This tailor-made service for military families provides support throughout the adoption process, including family finding, link-making and post-adoption support.

Health and social care services — we provide community health care across a number of countries and overseas territories around the world - Cyprus, Brunei, Gibraltar, Canada, Germany, Belgium, the Netherlands, Italy and Kenya; with Norway, Turkey, France, Portugal, Holland and Spain amongst those receiving remote support. Depending on the requirements, these services range from Ministry of Defence (MOD) contracted community healthcare in Cyprus to grant-in-aid health visiting in Kenya and midwifery in Brunei. We also provide personal support and social work services (PS&SWS) to the Royal Air Force (RAF) in the UK under contract to the MOD..

DELIVERING AGAINST OUR 2022 AIMS AND OBJECTIVES

We are focused on continuing to ensure that the needs of the Armed Forces, veterans and their families are met in an appropriate and timely way. We are a trusted source of support for serving personnel, veterans and their families in their time of need.

In our 137th year our refreshed strategy (2022-2027), launched in July 2022, is well timed, not least as moving on from the pandemic and dealing with the cost-of-living crisis will bring greater hardship. We have an exceptional range of complementary services, designed to meet specific beneficiary needs and delivered by skilled teams of employees and volunteers. We will build on our previous strategy and our many decades of experience to become a yet more responsive, efficient and effective charity.

Our five-year strategic plan and aims deliver this through:

1. Understanding need

2. Delivering consistent and effective support

3. Sustaining our resources

4. Raising our profile and strengthening our brand

5. Growing collaboration

We will continue to drive progress against our strategic objectives and meet client need against a backdrop of change. Our core services, which will always focus on the needs of our beneficiaries, are met either through our volunteer casework, through our 'behind-the-wire' serving community volunteers meeting serving communities' needs, or through our specialist services, such as our Mentoring program. A significant element of the Charity's activities is the granting of funds to eligible individuals with the majority of those funds coming from funders.

OUR ACHIEVEMENTS AND PERFORMANCE IN 2022

- We supported 59,439 individuals with our charitable services. Through our commercial contracts and charitable services we continue to support our Armed Forces and their families in the UK and overseas. SSAFA volunteers sourced over £9.5 million during the year to assist our beneficiaries.
- Our branches supported 10,131 cases (2021: 10,031) and carried out 5,400 visits (2021: 6,507).
- Our 2,506 volunteers across our branch network, serving community teams and specialist volunteers (excluding mentors) donated invaluable hours of their time. There was an increase in cases and applications for assistance and their urgency and complexity. All regions have volunteer vacancies; our volunteer survey shows higher levels of volunteer engagement and welfare in those areas with fully embedded Regional Officers.
- Our volunteer network raised £9.5 million (2021: £7.9 million) through applications to military benevolent funds and other welfare charities.
- Our serving community teams which provide support to serving personnel and their families on military bases in the UK and overseas awarded more than £23,400 in grants (2021: £18,800). The most requested financial assistance category for 2022 was for food, highlighting the impact of the cost-of-living crisis on the serving community. We are increasing our support of the serving community and are actively recruiting more volunteers for our Serving Community pilot areas. This project is helping to change the conversation around our support of the serving community and show that SSAFA is a trusted source of support and has a real understanding of the challenges and unique lifestyle that defines the serving community.
- We handled 33,642 enquiries, a 22% increase on 2021, to our free confidential helpline and webchat service, Forcesline. The team saw a dramatic increase in requests for assistance from people in desperate need, with housing becoming an increasingly serious problem.
- Our central Welfare Grants team received 785 requests for support, with the cost-of-living crisis having an impact on the increase in general needs. 466 people were supported with funds totalling £161,004. The Crisis Fund restarted in June 2022 and made

payments totalling £12,660 to 323 beneficiaries, including dependants.

- We supported 1,418 people through our Mentoring programme, 15% more than in 2021. The complexity of cases is continuing to increase, and the cost-of-living crisis is impacting mental wellbeing and families who are transitioning out.
- We helped prisoners or family members of prisoners through our Veterans in the Criminal Justice System (VCJS) Support Service. However, due to a range of service issues and the pandemic, the number of people helped in 2022 is not available.
- 2,334 people were helped by our Gurkha services and the majority of those we support are elderly with 69% being in the 70–89-year-old age range. Our two Gurkha support Outreach Workers supported 892 beneficiaries in the Gurkha communities with language support and signposting.
- Glasgow's Helping Heroes, our partnership with Glasgow City Council (GCC), supported 402 people in the city, an increase of 30.5% on 2021. Of the people helped, 70% are from the 20% most deprived areas of the city, and more than 40% are from the 5% most deprived areas.
- Our Adoption service placed eight children with adoptive military families. We approved 16 new households to adopt, our highest number since 2009. In total, 512 households were supported, and we received 220 adoption and adoption-related enquiries.
- Our Forces Additional Needs and Disability Forum (FANDF) received 318 enquiries, and welcomed 186 new members, bringing the total membership to 635 families by the end of December 2022.
- Short breaks give Forces families with additional needs and disabilities a fully funded activity holiday tailored to their specific requirements. 50 families (202 individuals) attended our short breaks, with four breaks run in 2022.
- We ran three online and two face-to-face Support Group events for those struggling with bereavement, military families affected by suicide and families of wounded, injured, and sick personnel. 62 beneficiaries across the three SSAFA Support Groups attended the events.
- Our Community Health team provided 3,927 consultations, 12% more than in 2021, across the

services to serving personnel and their families in Cyprus. There were 540 new referrals across the Dietetics, Speech and Language Therapy (SLT), Child and Adolescent Mental Health Services (CAMHS), Podiatry and Children's Community Nursing (CCN) specialisations during 2022, a decrease of 5.6% on 2021.

- We helped 1,329 people (an increase of 61% on 2021) through our housing services:
 - 400 personnel and family members in Norton House, Stanford Hall whilst loved ones are receiving treatment at the nearby Defence Medical Rehabilitation Centre;
 - A total of 176 women and children supported by our Stepping Stone Home, Gildea House, a secure, female-only place of safety for women and children of the Armed Forces community. 56 women and children were provided with accommodation and 120 women supported in the community;
 - 643 residents at Fisher House, an increase of 76% on 2021; of which 318 had stayed before for ongoing treatment at Queen Elizabeth Hospital Birmingham (QEHB) or other local hospitals;
 - 88 residents in our independent living accommodation, the Royal Homes Wimbledon, which has 75 flats fully occupied and two currently being refurbished with beneficiaries waiting to move into them;
 - 22 residents in our bungalows across the country. During the year one property in Banstead, Surrey was sold.

SOCIAL CARE OPERATIONS

The Personal Support and Social Work Service (PS&SWS) RAF is an MOD contracted welfare service run by a team of skilled and qualified staff from a range of disciplines, providing support to the RAF community on base. In 2022 there was a 10% increase to 5,182 service users being supported, with 3,523 consultations, 1,274 referrals and 385 Long Term Sick (LTS) referrals. The main areas for referrals support were personal support, mental health and housing. 119 RAF Welfare staff were supported through the Welfare Supervision service.

COMMUNITY HEALTHCARE OPERATIONS

We provided community healthcare to Armed Forces personnel and their families across the world, with remote support also provided to those stationed in a range of countries, including Norway, Turkey, France, Portugal, Holland and Spain.

In Cyprus, Community Healthcare is provided to the British Forces community under a current MOD contract. We deliver this across three geographical locations and provide Child & Adolescent Mental Health Services (CAMHS), Health Visiting, Midwifery, Community Children's Nursing (CCN), Dietetics, School Nursing, Speech and Language Therapy (SLT), Podiatry and Orthoptics services. Our midwives and health visitors supported the mothers of 113 babies born on the island in 2022, including 12 babies admitted to a neonatal intensive care unit post birth. Occupational health services were added to the British Forces Cyprus (BFC) contract enabling us to provide these services to 1,450 entitled local personnel within BFC, including the Sovereign Base Area Police and Fire Service.

Healthcare operations are provided through Grant-in-Aid procurement, to our Armed Forces personnel posted around the world. This includes providing Health Visiting and Midwifery in Brunei and Health Visiting in Gibraltar, Canada and Kenya. The 15-month contract to deliver Health Visiting services for SHAPE, Sennelager (Germany), the Central European Practice and Naples, that started in July 2021 has been extended beyond 2022. As well as providing essential and highly valued support, these commercial contracts are an important source of income for the Charity and the surplus revenue generated makes an important contribution to SSAFA's annual financial performance.

LEARNING AND DEVELOPMENT

All our volunteers and employees are provided with learning and development relevant to their roles, to assist them in delivering the best support and service to our beneficiaries. In 2022 we launched an internal coaching programme and continued to support employees with an emphasis on mental health and wellbeing signposting. Our Central Development Programme had 792 attendees (61% more than in 2021), and 17 learning and development external group training events were attended by 392 people.

In collaboration with Safeguarding and with thanks to Armed Forces Covenant Fund Trust (AFCFT) we have developed the service we offer to employees and

volunteers when dealing with beneficiaries that have a range of mental ill health or wellbeing concerns. The Making Every Contact Count (MECC) tool supports volunteer and employee interventions around mental wellbeing.

We appointed more than 100 people in 2022 through a new recruitment platform which aids diversity and inclusion (D&I) by replacing traditional CV and supporting statements with blind reviews, resulting in decisions around suitability being based on skills, abilities and experience for each role. We won Silver in the "Use of Technology" category at the In-house Recruitment Awards for being a pioneer in the military charity sector for using this D&I-friendly technology.

2022 also saw several D&I initiatives that raised awareness across a diverse range of topics but also improved employee engagement for spontaneous learning and deepened empathy and compassion. Concious inclusion and bystander training gave employees the skills to challenge inappropriate behaviour. New e-learning topics around D&I were introduced in September 2022. Employee led Communities of Interest groups have been initiated, with our menopause café seeing huge success.

MEASURING AND EVALUATING THE IMPACT OF OUR WORK

In line with the Charity's strategic plan demonstrating the impact of SSAFA's services provided to our beneficiaries is key in allowing us to better understand the needs of the Armed Forces community and their families.

SSAFA's approach to the measurement of these outcomes begins with developing a theory of change for each support service, which allows us to identify those outcomes we wish to explore. This forms the basis for an evaluation plan where we develop or use existing validated tools to demonstrate how we have helped our beneficiaries. We do this using a range of methods including outcome measures, feedback surveys, qualitative and economic studies, as our approach depends on the individual service's need. SSAFA employs a continuous improvement approach when measuring impact which allows us to not only measure success, but also learn how we can improve so that we continually develop our services.

Where appropriate, external evaluators measure the outcomes and impact of our services, with methods including surveys, interviews and focus groups. For example, the University of Stirling and Glasgow

Caledonian University two-year evaluation of our Glasgow’s Helping Heroes service shows that it delivers a Social Return on Investment (SROI) of £6.63 for every £1 invested in support services. Exploring the impact of our services is a high priority for SSAFA and we are continuing to identify ways in which we can measure and demonstrate how we make a difference.

OUR COMMITMENT TO ENVIRONMENTAL SUSTAINABILITY

Since 2014, SSAFA has complied with the legal requirement to take part in the Energy Savings Opportunity Scheme (ESOS). Some of the savings identified by a qualified ESOS auditor have been completed, resulting in estimated savings of £1,077 per annum.

Environmentally friendly savings outside of ESOS include transitioning to the use of green energy, improving insulation and boiler efficiency, and increasing the maximum allowance provided for lease cars to encourage selection of hybrid or fully electric vehicles. Online training, virtual meetings and home working practices have reduced the carbon footprint of SSAFA employees.

OUR FOCUS ON COLLABORATIVE WORKING

It is vital that we continue to develop our services to meet the current and future needs of the Armed Forces community. We need to adapt and evolve what we offer as their needs change. We will continue to monitor and analyse these changing needs in the Forces family, refining what we deliver, so that it continues to service these unmet needs.

As part of this, we work closely with key partners to ensure we are able to meet the breadth of needs our beneficiaries present. Our partnerships with grant makers, funders, Government, and beyond are vital to SSAFA’s ability to support beneficiaries. At the same time, we are working with and supporting the Confederation of Service Charities (Cobseo) to develop greater coherence and co-ordination of support with other military charities. We want to make certain that all beneficiaries get the best possible help in a timely, consistent manner so that our support services complement each other, rather than duplicate those offered by other organisations.

MILITARY WIVES CHOIRS

The Military Wives Choirs Foundation (MWCF) was a registered subsidiary charity of SSAFA until 31 December 2022 . In 2022 the choir membership increased 19% to a total of 2,034 women with a military connection in 72 choirs in the UK and on British military bases abroad. Choirs are open to women from across the military community from 18 years of age upwards, including wives, partners, serving personnel, veterans and mothers.

On 31 December 2022 SSAFA resigned its sole membership of the Foundation, and the Trustees of the MWCF became its members. SSAFA has pledged to continue to support the MWCF as a social investment providing welfare to choir members through singing.

RAISING OUR PROFILE

SSAFA wants to be the ‘expert’ voice for the issues faced by the military community and seen as a trusted, passionate, professional support network and service provider. We will aim to grow and improve our brand presence to assist beneficiaries seeking help, target volunteers and employees who want to work for the Charity and grow one-off donors into life-long supporters of SSAFA.

We need our multiple audiences and stakeholders to know who we are, what we do and how we can help. In 2022, 3,231 pieces of press coverage meant that in total we were seen, heard or read by more than 1.5 billion people across a variety of on and off-line media communications platforms; an increase in circulation of more than a billion or 200% on 2021 figures.

Across the Get Help section of our website form submissions rose 16% to 5,484 requests; of this Forcesline form submissions increased 17.8% to 3,956, and Branch contact form submissions rose 18.9% to 1,179.

Crisis communications also increased with 103 crises, compared to 47 in 2021 and 34 in 2020.

FUNDRAISING FOR OUR WORK

In 2022, we raised £13.7 million (2021: £12.5 million) from donations, grants, legacies, events and trading activities, of which £1.9 million (2021: £1.1 million) was raised by volunteers in their local communities.

Our Fundraisers used a variety of in-person and virtual methods of fundraising resulting in an overall events income of more than £1.9 million (2021: £1.7 million). 2,108 participants took part in our 13 Bridges Challenge, Rally for Heroes, and Defence Industry Charitable Dinner events, raising a combined total of £440,339.

Legacy income of nearly £5.3 million was bolstered by receiving three significant but unexpected gifts. Individual giving income increased 7% to more than £1.3 million; we lost some regular supporters due to the cost-of-living crisis, increased utility bills and inflationary pressures, but this was offset by considerable acquisition activity and face-to-face fundraising. Commercial partnerships raised more than £350,000, with £237,000 of this received from Hattons of London’s two commemorative ranges. Trading operations generated more than £200,00 in sales via the catalogue and online store.

We built on our trusted and long-term relationships with some of our most established and loyal major funders, especially those who have provided support during the cost-of-living crisis. We continued key strategic partnerships with organisations such as the Armed Forces Covenant Fund Trust and The National Lottery Community Fund, as well as receiving funding from the Barbara Naylor Charitable Trust. We also remain extremely grateful for the steadfast support provided by the Royal British Legion and the services’ benevolent funds; ABF The Soldiers’ Charity, the Army Central Fund, the Royal Navy and Royal Marines Charity, the RAF Benevolent Fund, and also Greenwich Hospital. Furthermore, we are honoured to receive the continued generosity and support of the Michael Uren Foundation.

We have been humbled by the special and exceptional generosity of all our supporters, and we extend a sincere and heartfelt thank you to all our donors: individual, corporate, grant-givers and commercial partners, as well as other collaborating organisations, and those who wish to remain anonymous, for their support during this difficult and demanding year.

Particular thanks go to:

- ABF The Soldiers’ Charity
- Amazon
- Annington
- Aramark UK
- Armed Forces Covenant Fund Trust
- Army Central Fund
- Award
- BAE Systems
- Boeing UK
- E & N Watson Family Trust
- Forces in Mind Trust (FiMT)
- Frank Ross
- Fujitsu
- Glasgow City Council
- Gosling Foundation
- Greenwich Hospital
- Hattons of London
- Honourable Artillery Company
- ICAP
- Landmarc
- LIBOR Fund
- Livery Companies of the City of London
- Masonic Lodge of West Yorkshire
- Ms Shields Legacy
- Park Dean Resorts
- QinetiQ
- Rheinmetall BAE Systems Land (RBSL)
- Royal Air Force Benevolent Fund
- Royal Engineers
- Royal Navy and Royal Marines Charity
- Sodexo
- St James’ House
- The Barbara Naylor Charitable Trust
- The Dr Olav and Mrs Kerr Charitable Trust
- The MacRobert Trust
- The Michael Uren Foundation
- The National Lottery Community Fund
- The Queen Mary’s Roehampton Trust
- The Scottish Government Armed Forces Third Sector Resilience Fund
- The Swire Charitable Trust
- The Syncona Foundation
- Thorntons
- Trinity House Maritime Charity
- and those who wish to remain anonymous

LOOKING TO THE FUTURE

The spiralling cost of living will mean many more of the Armed Forces community are facing financial hardship, so close attention to ensuring financial sustainability of the Charity is a priority for the Trustees and Senior Management team who will continue to closely monitor the impact of increased need on our income, expenditure, fundraising and communications.

We need to ensure that we continue to support our volunteers and employees, deliver outstanding services - both face-to-face and virtually - and strengthen our cross-sector collaboration. In order to future-proof our vital work we will be trialling our Network Delivery Project in two regions with a view to ensuring a financially sustainable, consistent, timely and quality assured service to all our beneficiaries wherever they are, whenever they need it, across our UK footprint and in locations worldwide.

We need to meet the current and future, financial and social welfare needs faced by our serving and veteran communities. Many of these have been exacerbated and heightened by the cost-of-living crisis in our economy, society, and welfare services. To meet the increasing financial hardships faced by the Armed Forces community we have created a Cost-of-Living Crisis Fund. This fund enables our critical front-line services to give immediate financial support to those who are struggling, and to relieve a major cause of their anxiety and stress.

We will continue to meet our contractual obligations to provide high-quality health and social care to the Armed Forces in the UK and overseas. We will respond to the reduction in contracted services income whilst maintaining our existing excellent standards of service, be creative in searching for solutions to fundraising activity and continue to be cost conscious.

Investment in fundraising and supporter engagement is vital to SSAFA's future. Our fundraising strategy for 2022-2024 focuses on new supporter acquisition and engagement whilst ensuring our regional and community fundraising presence is strengthened.

We want to ensure we continue to raise awareness of our charity and our profile to drive external communications and generate the income needed in very challenging circumstances. We will still focus on our three communications objectives; raising awareness of the SSAFA brand and the different types of support we offer across the whole of the Armed Forces family, driving our fundraising and building our volunteer network through active recruitment.

FINANCIAL REVIEW

As required, the accounts have been prepared under Charity SORP (FRS 102). To meet the requirements of the Office of the Scottish Charity Regulator, a Statement of Activities (with supporting notes) has also been prepared for the Charity (as shown on page 23).

FINANCIAL OUTCOME

The Consolidated Statement of Financial Activities for the year show that there was an overall deficit in the year before investment and actuarial losses and exceptional items of £1.4 million (2021: £0.5 million surplus). This comprises a deficit on unrestricted funds of £0.8 million for the year (2021: £1.0 million surplus) and a restricted fund deficit of £0.6 million (2021: £0.5 million).

Donations and legacies received in the year were £5.9 million (2021: £6.1 million) and £5.3 million (2021: £4.5 million) respectively. The costs of raising voluntary income were £844 thousand (2021: £789 thousand). The branches continue, through their volunteer network, to raise significant funds of £9.5 million (2021: £7.9 million) from service and other charities to assist a wide variety of Forces-related individuals in need. At 31 December 2022 £1.5 million (2021: £1.5 million) was being held as unalmonised grants for imminent distribution to the individuals for whom the funds were raised.

Health and welfare activities contributed £1.1 million (2021: £1.0 million) to the Group. This includes the activities of SSAFA Family Health Services, which is responsible under contract to the MOD for the delivery of health services. The group continues to provide the RAF Personal Support and Social Work Services in the UK. Whilst income and expenditure decreased significantly, the margin reflects improved cost-management initiatives.

The pension fund balance was measured as an asset of £68 million at the year end. The Trustees do not consider the Charity has a right to any future economic benefits from the scheme despite the asset position and therefore no asset or liability is recorded at the balance sheet date. Changes in the valuation reflect an increase in discount rate from 1.9% to 4.9%.

INVESTMENT POLICY

SSAFA's investment policy is to produce the best financial return within an acceptable level of risk. The investment objective is to generate a return in excess of inflation over the long term whilst generating an income to support the ongoing activities of SSAFA branches. SSAFA has a broad range of income sources that would allow it to continue with its activities were markets to fall. The key long-term risk is inflation, and the investment assets are invested to mitigate this risk. The Trustees understand that this is likely to mean that investment will be concentrated in real assets (equities and property) and that therefore the capital value will fluctuate. As a result they are prepared to take more than a moderate amount of risk. SSAFA's investment assets can be invested widely and be diversified by asset class and by security. Asset classes can include cash, bonds, equities, property, hedge funds, structured products, private equity, commodities and any other asset that is deemed suitable as defined by the Charity Commission in CC 14. The Investment Policy has no ethical restrictions.

The majority of SSAFA's funds are invested in the Armed Forces Charity Authorised Investment Fund, a fund specifically designed for service and ex-service charities. The objective of the fund is to achieve long term growth of both capital and income. Performance of the fund is measured against a benchmark constructed to represent a balanced portfolio of investments comprising UK and global equities, property and UK and overseas bonds. In 2022, the fund recorded a total negative return of 10.6%, which was below the benchmark. Dividends for the year were increased to 8.25p per unit.

RESERVES POLICY

Taking into account the long-term strategic plan that the Trustees agreed in 2018 and the analysis carried out since on the financial demands of providing a modern service that meets the needs of all stakeholders, the Trustees have agreed that the Charity needs to sustain its current level of reserves in real terms. This is made all the more necessary given the pressures on income from the unavoidable decline in health and social care contracts. The Charity's reserves underwrite the day-to-day operation of the branch network as well as the many other capabilities SSAFA provides to its beneficiaries. The reserves are held in a combination of investment properties, listed investments and cash. The Trustees currently forecast that reserves will be used to cover annual deficits for the next five years if other sources of income do not increase to meet the rising costs of serving our beneficiaries' needs. The Reserves Policy of sustaining current levels in real terms means, after completing the new strategy, that the Charity's reserves should be able to fund annual core running costs in a crisis, as they will do in 2023. To do otherwise would put at risk the existence of the Charity. The Trustees have learnt from other charities that have not had a sustainable business model and not had sufficient reserves to maintain, over the long term, the vital service they deliver to their clients, many of whom have long term needs, when income falls.

- At 31 December 2022, the Charity held total funds of £56.8 million (2021 - £63.1 million).
- At 31 December 2022 the Charity held restricted funds not available for general purposes of £6.0million (2021 - £7.2 million). This includes fixed assets of £302,000 (2021- £304,000).
- At 31 December 2022 the Charity held designated funds of £1.5 million (2021 - £1.6 million) for use as and when qualifying need arises.
- At 31 December 2022, the level of unrestricted reserves which were not represented by fixed assets was 2.1 years of running costs (2021: 2.6 years).
- At 31 December 2022, the unrestricted general reserves (which include designated funds) that were not represented by fixed assets amounted to £43.7 million (2021: £47.0 million).

GRANT MAKING

Assistance from the unrestricted funds may be used only to relieve the need, suffering and distress of those eligible for our help, as described in the Objects of SSAFA. The Regulations of SSAFA do not permit our funds to be used for gifts, grants or subscriptions to charities, hospitals, schools or other funds, societies or institutions.

FUNDRAISING POLICIES

SSAFA carries out its core fundraising activities through a dedicated team of paid professional fundraisers managed from its London office, and through registered volunteers who engage in small-scale fundraising activities to help support branch-level activities.

SSAFA's central fundraising team generates income through a mix of grant, donation, contract, sponsorship and commercial activities. It also oversees regional and branch-level fundraising activities and provides support, training and guidance to its volunteer fundraisers to ensure that the Fundraising Code is followed and that best practice and legal fundraising standards are applied consistently across the organisation.

As part of its activities to recruit individual supporters, SSAFA utilises payroll giving schemes and face-to-face fundraising on private sites. SSAFA engages three specialist Professional Fundraising Organisations (PFOs) to represent the charity to support payroll giving and two PFOs to represent the charity for face-to-face activity. All such agreements are subject to legal contract, including how data is collected, stored, processed and shared. SSAFA's merchandise and trading activities are managed through SSAFA Forces Help Enterprises Limited. Sponsorship and/or cause-affiliated marketing partnerships are managed through commercial participation agreements.

MANAGING AND SAFEGUARDING DATA

SSAFA is dedicated to safeguarding the personal data entrusted to us by our volunteers and supporters, while ensuring strict adherence to rigorous governance and risk management standards. We have worked on our data protection programme throughout 2022 to ensure transparency with our supporters regarding how we process their data. This includes obtaining the necessary permissions from supporters before collecting and using their personal data and giving supporters clear choices on how they receive communications from us.

We provide training to employees and volunteers on data protection and privacy. This includes guidance on how to handle personal data, how to spot and report suspicious activity and how to respond to a data breach. We regularly review and update our data protection policies to ensure they remain compliant with any changes to data protection laws.

In addition, privacy considerations are now imbedded at the start of all new projects, ensuring data protection principles are at the forefront of project design. As part of our commitment to maintaining the trust of our supporters we conduct a due diligence exercise on all third-party suppliers and data sharing agreements are in place with third-party organisations who support SSAFA's fundraising activities. This ensures that we only work with reputable suppliers who share our values and commitment to data protection. The confidentiality, integrity and availability of supporter data are the utmost importance to the charity, and we are fully committed to implementing measures to ensure that supporter data is kept safe and secure at all times.

STRUCTURE, GOVERNANCE AND MANAGEMENT GOVERNING DOCUMENT

The Soldiers', Sailors', Airmen's and Families' Association - Forces Help, operating as SSAFA, the Armed Forces charity was established in 1885 under Royal Charter. SSAFA's Charter and Rules and Regulations were extensively revised in 2013 and approved by Council in January 2014. The Charter allows the Trustees to establish Regulations for the day-to-day management of the Charity. SSAFA is registered as a charity in England and Wales (Number 210760) in Scotland (Number SCO38056), in the Republic of Ireland (Number 20002021) and in Gibraltar (Number 149).

TRUSTEE INDUCTION AND TRAINING

Regulations require that each Trustee attends an introductory briefing. Each Trustee must attend formal annual training including Data Protection, Safeguarding and Diversity & Inclusion.

MANAGEMENT PAY

The Governance Committee is responsible for reviewing and deciding any salary increases applicable to all employees including all levels of management. The Charity does not operate a performance related salary or bonus scheme. Any proposed changes to management pay will consider the remuneration of comparable internal roles and external roles in similarly sized charities.

SSAFA's median gender pay gap reduced in 2022 to 1.47% (2021: 2.31%) and continues to be considerably lower than the national median gender pay gap of 14.9% (2022 ONA ASHE). Since implementing a new recruitment process, 10% of new starters declared a disability and are supported in the workplace through the Access to Work programme.

SUBSIDIARY CHARITIES

The Charity has two subsidiary Charities: The Royal Homes, regulated under a Charity Commission Scheme in 1998 and the Aircrew Association Charitable Fund, regulated under a Charity Commission Scheme in 2012. Both are administered as part of SSAFA as a result of these schemes, and their results are included within the results of the Charity.

Until 31 December 2022 the Military Wives Choirs Foundation ("MWCF"), which was established on 30 May 2012 as a private charitable company limited by guarantee, Company Number 08089745, Registered Charity Number 1148302 and in Scotland, Charity Number SCO45217, was also a subsidiary of SSAFA. On 31 December 2022 SSAFA resigned its sole membership of the MWCF. The MWCF prepares its own annual financial statements. These are not included in SSAFA's charity accounts but are consolidated within the Group Statement of Financial Activity up until 31 December 2022. The net assets of the MWCF were disposed of at 31 December 2022 and are not included in the Group Balance Sheet.

SSAFA OPERATIONAL ENTITIES

Under the authority of Council, SSAFA operates three subsidiary companies. Each company is run for the benefit of the Charity by paid employees who fill the key posts of Managing Director, Finance Director and Company Secretary, and includes Trustees as additional external members of the Board. Each Company reports as required to Companies House.

Details of the Companies are given below:

- SSAFA Family Health Services, a company limited by guarantee not having a share capital, Registered Number 3137764, was established to provide community health, social work and other services for the Armed Forces worldwide.
- SSAFA Forces Help Enterprises Limited, a company limited by shares, Registered Number 2493614, was established as a trading company to sell Christmas cards and other merchandise, and enter into other non-charitable commercial arrangements.
- SSAFA CMS Limited, a company limited by shares, Registered Number 11148036, was established to develop and maintain "CMS" a software tool for use by the majority of military charities for managing casework within the military charity sector.

OTHER CHARITABLE JURISDICTIONS

In order to operate in Scotland, SSAFA has been registered with the Office of the Scottish Charity Regulator Register of Charities under number SC038056. In order to operate in Gibraltar, SSAFA has been registered with the Charity Commissioners for Gibraltar Register of Charities under number 149. In order to operate in the Republic of Ireland, SSAFA has been registered with the Charities Regulator under number 20002021.

RISK MANAGEMENT

The Controller's Management Board meets monthly and reviews the Risk Register to ensure compliance. The Risk Committee reviews the Risk Management Policy and Register at each meeting. Areas of significant risk are reported to Council at each meeting. Council then seeks assurance from the Controller that all mitigating action is being or has been taken. In addition, Council formally approved the appointment of Mazars LLP as internal auditors and agreed a risk-focused internal audit plan with them, covering a variety of areas (including finance) across the organisation. The reviews have identified that financial sustainability is the main financial risk for both the Charity and its subsidiaries.

PRINCIPAL RISKS AND UNCERTAINTIES ARE MANAGED BY:

- having detailed financial planning and processes in place to ensure oversight and ongoing monitoring of the financial position;
- detailed contract planning. A principal financial risk facing the Charity's subsidiary, SSAFA Family Health Services, is related to the expiry of the contract with the MOD to provide healthcare to HM Forces in Germany following the drawdown of personnel back to the UK. The Company's Board is monitoring the situation and continuing to look for new opportunities;
- ensuring that branches' and serving communities' volunteers have appropriate financial and other training and support available to them to aid them with the raising, recording, monitoring and the distributing of funds in delivering assistance to SSAFA's many beneficiaries.

The Group has some transaction and currency exchange rate risk given its international spread of activities. The objective of the Group in managing its liquidity risk is to ensure that it can meet its liabilities when they fall due. The Group expects to meet its financial obligations through operating cash flows. In the event that operating cash flows would not cover all the Group's financial obligations, Council is comfortable that suitable credit facilities are available.

The Group may offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. Certain Group entities are subject to risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by strong on-going customer relationships.

Council is content that measures are in hand to manage and minimise all significant risks.

AUDITOR

Trustees believe it is good practice to re-evaluate their professional advisers periodically but have also informed Moore Kingston Smith LLP that its proposals to be re-appointed will be welcomed.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees are responsible for preparing the annual Trustees' Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 and regulations made thereunder, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 1962-12 (Gibraltar) and the Charities Act 2009 (Republic of Ireland) require the Trustees to prepare financial statements for each financial year.

The Trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the Group, and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period.

In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's and Group's transactions, and disclose with reasonable accuracy at any time the financial position of the Charity and the Group and enable them to ensure that the financial statements comply with the Charities Act 2011 and regulations made thereunder, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity (Accounts and Reports) Regulations 2008, the Charities Act (Gibraltar) 1962-12, the Charities Act 2009 (Republic of Ireland) and the provisions of the

trust deed. They are also responsible for safeguarding the assets of the Charity and the Group and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Approved by Council on 20 June 2023

And signed on 20 June 2023 by

INDEPENDENT AUDITOR’S REPORT

To the Trustees of The Soldiers’, Sailors’, Airmen’s and Families’ Association – Forces Help (SSAFA)

OPINION

We have audited the financial statements of SSAFA, the Armed Forces charity (the ‘parent charity’) and its subsidiaries (the ‘group’) for the year ended 31 December 2022 which comprise the Group Statement of Financial Activities, the Charity Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group’s and the parent charity’s affairs as at 31 December 2022 and of the group’s and parent charity’s incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 parent 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 auditor’s report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees’ annual report.

We have nothing to report in respect of the following matters where the Charities Act 2011 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the Trustees’ Annual Report is inconsistent in any material respect with the financial statements;
- the parent charity has not kept sufficient and proper accounting records;
- the parent charity’s financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees’ Responsibilities Statement set out on page 17, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group’s and parent charity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or parent 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 sections 151 of the Charities Act 2011 (England and Wales), 50 of the Charities Act 2009 (Republic of Ireland) and 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for

our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charity’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the group or parent charity to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the parent charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

USE OF OUR REPORT

This report is made solely to the Charity’s Trustees, as a body, in accordance with Section 154 of the Charities Act 2011, Section 50(1) of the Charities Act 2009 (Republic of Ireland), and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity’s Trustees those matters we are required to state to them in an 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Moore Kingston Smith LLP

Statutory Auditor
Date: 20 June 2023
9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Total 2021 £'000
INCOME FROM:							
Donations and legacies	1	9,129	2,031	11,160	8,284	2,276	10,560
Charitable activities							
Contributions — Service/other charities	2	-	9,528	9,528	-	7,911	7,911
Health and welfare	2	5,991	428	6,419	5,908	504	6,412
Care and accommodation	2	421	546	967	417	479	896
Adoption services	2	237	-	237	409	-	409
Total charitable activities		6,649	10,502	17,151	6,734	8,894	15,628
Other trading activities							
Fundraising activities		1,799	86	1,885	1,701	21	1,722
Commercial activities		679	-	679	233	-	233
Total trading activities		2,478	86	2,564	1,934	21	1,955
Investments	3	1,483	106	1,589	1,511	115	1,626
Other income	4	571	-	571	473	-	473
Exceptional item	5	-	-	-	-	10,000	10,000
Total income		20,310	12,725	33,035	18,936	21,306	40,242
EXPENDITURE ON:							
Raising funds							
Fundraising activities	6	3,443	-	3,443	2,209	-	2,209
Raising voluntary income	6	844	-	844	789	-	789
Other trading activities	6	240	-	240	101	-	101
Total raising funds		4,527	-	4,527	3,099	-	3,099
Charitable activities							
Supporting clients	6	9,749	11,986	21,735	7,746	10,778	18,524
Health and welfare	6	4,816	393	5,209	4,978	457	5,435
Care and accommodation	6	1,402	979	2,381	1,410	620	2,030
Adoption services	6	562	-	562	569	-	569
Total cost of charitable activities		16,529	13,358	29,887	14,703	11,855	26,558
Other expenditure	6	2	-	2	85	-	85
Total expenditure		21,058	13,358	34,416	17,887	11,855	29,742
Net (losses)/gains on investments	11	(4,355)	(522)	(4,877)	2,735	307	3,042
Net (expenditure)/income before fund transfers		(5,103)	(1,155)	(6,258)	3,784	9,758	13,542
Transfer between funds	12	26	(26)	-	10,117	(10,117)	-
Other recognised gains and losses							
Actuarial (losses)/gains on defined benefit pension	24	(36)	-	(36)	7,626	-	7,626
Net movement in funds		(5,113)	(1,181)	(6,294)	21,527	(359)	21,168
RECONCILIATION OF FUNDS							
Total funds brought forward	18	55,882	7,169	63,051	34,355	7,528	41,883
Total funds carried forward	18	50,769	5,988	56,757	55,882	7,169	63,051

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Total 2021 £'000
INCOME FROM:							
Donations and legacies	1	9,754	1,808	11,562	9,362	2,054	11,416
Charitable activities							
Contributions — service/other charities	2	-	9,528	9,528	-	7,911	7,911
Health and welfare	2	-	428	428	-	504	504
Care and accommodation	2	421	546	967	417	479	896
Adoption services	2	237	-	237	409	-	409
Total charitable activities		658	10,502	11,160	826	8,894	9,720
Other trading activities — Fundraising		1,843	86	1,929	1,675	21	1,696
Investments	3	1,481	106	1,587	1,511	115	1,626
Other Income	4	5,339	-	5,339	4,984	-	4,984
Exceptional Item	5	-	-	-	-	10,000	10,000
Total income		19,075	12,502	31,577	18,358	21,084	39,442
EXPENDITURE ON:							
Raising funds							
Fundraising activities	6	3,439	-	3,439	2,220	-	2,220
Raising voluntary income	6	838	-	838	786	-	786
Total raising funds		4,277	-	4,277	3,006	-	3,006
Charitable activities							
Supporting clients	6	9,054	11,648	20,702	7,309	10,495	17,804
Health and welfare	6	894	393	1,287	1,224	457	1,681
Care and accommodation	6	1,400	979	2,379	1,408	620	2,028
Adoption services	6	562	-	562	569	-	569
Total cost of charitable activities		11,910	13,020	24,930	10,510	11,572	22,082
Other expenditure	6	3,834	-	3,834	3,775	-	3,775
Total expenditure		20,021	13,020	33,041	17,291	11,572	28,863
Net (losses)/gains on investments	11	(4,313)	(488)	(4,801)	2,735	307	3,042
Net (expenditure)/income before fund transfers		(5,259)	(1,006)	(6,265)	3,802	9,819	13,621
Transfers between funds	12	34	(34)	-	10,117	(10,117)	-
Other recognised gains and losses							
Actuarial (losses)/gains on defined benefit pension	24	(36)	-	(36)	7,626	-	7,626
Net movement in funds		(5,261)	(1,040)	(6,301)	21,545	(298)	21,247
RECONCILIATION OF FUNDS							
Total funds brought forward	18	55,506	7,028	62,534	33,961	7,326	41,287
Total funds carried forward	18	50,245	5,988	56,233	55,506	7,028	62,534

The Charity Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

CONSOLIDATED GROUP AND CHARITY BALANCE SHEETS

FOR THE YEAR ENDED 31 DECEMBER 2022

As at 31 December	Notes	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
FIXED ASSETS					
Tangible assets	13	7,352	9,142	7,352	9,141
Investments	14	39,891	42,921	39,901	42,931
Total fixed assets		47,243	52,063	47,253	52,072
CURRENT ASSETS					
Debtors	15	5,227	5,625	4,674	5,925
Stock		25	29	-	-
Cash at bank and in hand		8,409	14,205	8,104	12,932
		13,661	19,859	12,778	18,857
				-	
Creditors: Amounts falling due within one year	16	(4,147)	(8,454)	(3,798)	(7,978)
Net current assets		9,514	11,405	8,980	10,879
Creditors: Amounts falling due after more than one year	17	-	(417)	-	(417)
Net assets excluding pension liability		56,757	63,051	56,233	62,534
Defined benefit pension scheme liability	24	-	-	-	-
NET ASSETS	18	56,757	63,051	56,233	62,534
FUNDS					
Unrestricted funds — general	18	49,255	54,280	48,731	53,904
Unrestricted funds — designated	18	1,514	1,602	1,514	1,602
Unrestricted funds — pension reserve	18	-	-	-	-
Total unrestricted funds	18	50,769	55,882	50,245	55,506
Restricted funds	18	5,988	7,169	5,988	7,028
TOTAL FUNDS	18	56,757	63,051	56,233	62,534

Approved by Council on 20 June 2023 and signed on 20 June 2023 by:

Lt General Sir Gary Coward KBE CB
Chair

Mr David Rowe
Honorary Treasurer

The accompanying accounting policies and notes on pages 26 to 49 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Net cash used in operating activities	A	(3,181)	(2,271)
Cash flows from investing activities			
Dividends, interest and rents from investments	3	1,589	1,626
Proceeds on disposal of fixed assets		608	513
Net cash disposed of on disposal of subsidiary		(325)	-
Purchase of investments	14	(42)	(1,643)
Proceeds from sale of investments	14	55	117
Net cash used in investing activities		1,882	613
Cash inflows from financing activities			
New borrowings		500	5,000
Repayment of borrowings		(5,000)	-
Change in cash and cash equivalents in the year		(5,796)	3,342
Cash and cash equivalents at 1 January 2022		14,205	10,863
Cash and cash equivalents at 31 December 2022		8,409	14,205

Notes to the Consolidated Statement of Cash Flows	2022 £'000	2021 £'000
A. Reconciliation of net expenditure to net cash flow from operating activities		
Net (expenditure)/income for the year	(6,258)	13,542
Adjustments for:		
Depreciation	13	169
Profit on disposal of fixed assets		(522)
Losses/(gains) on investments	6,14	4,877
Dividends, interest and rents from investments	3	(1,589)
Decrease in stock		4
(Decrease)/increase in creditors	16	(224)
Pension contributions	24	(135)
Change in pension liability	24	99
Decrease/(increase) in debtors	15	398
Net cash used in operating activities	(3,181)	(2,271)

Analysis of changes in net funds	At 1 January 2022 £'000	Cash flows £'000	Disposal of subsidiary £'000	At 1 January 2022 £'000
B. Analysis of cash and cash equivalents and net debt				
Cash	14,205	(5,471)	(325)	8,409
Borrowings				
Debt due within one year	(4,583)	4,083	-	(500)
Debt due after more than one year	(417)	417	-	-
	(5,000)	(4,500)	-	(500)
	9,205	(971)	(325)	7,909

PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies are summarised below

BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2020) second edition issued October 2020 and the Financial Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2020) second edition issued October 2020 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared in the Group's functional currency, Sterling (£) and are stated in £'000s.

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

BASIS OF CONSOLIDATION

The financial statements consolidate those of the Charity, its subsidiary undertakings and its shares in joint ventures drawn up to 31 December each year. The results and balance sheets of the subsidiaries controlled by the Charity have been consolidated on a line by line basis. Control is achieved where the Charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Branch and committee accounts (including those overseas) have been included in the Charity's and consolidated financial statements on a receipts and payments basis but adjusted for any accruals or prepayments where material.

CHARITY STATEMENT OF CASH FLOWS

The Trustees have taken the exemption available under Para 1.11 of FRS 102 not to present a separate Charity Statement of Cash Flows.

GOING CONCERN

The financial statements have been prepared on the basis that the Charity is a going concern. The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The Charity had £50.8 million in unrestricted funds at 31 December 2022. The Trustees therefore consider that the Charity has adequate resources to sustain operations for the foreseeable future.

During the Covid-19 pandemic the Trustees recognised the need to secure access to loan funding from the Charity's bankers. The Coronavirus Business Interruption Loan was repaid in the year, and a new Revolving Credit Facility (RCF) acquired, ensuring that the Charity can meet all its liabilities in the event of reduced incoming cash flows. The Trustees therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

INCOME

All income whether restricted or unrestricted is recognised in the Consolidated Statement of Financial Activities when the Group has entitlement to the funds, the amount can be quantified reliably and it is probable that the income will be received.

Donations and other income generated from fundraising are recognised gross on a receivable basis. In the event that the donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and gifts in kind are recognised as income when the Charity has control over the item or service, any conditions associated have been met, the receipt of economic benefit from the use by the Charity is probable and when economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the time of the Charity's many volunteers is not recognised. However, refer to the annual Trustees' Report for details of their substantial contribution to the Charity.

Legacies are recognised once the receipt of the legacy becomes probable and quantifiable. Pecuniary legacies are usually recognised at the point that probate is granted. For residuary legacies, this will usually be at the earlier of cash receipt or when confirmation has been received from the representatives of the estates that payment will be made or property will be transferred and once all the conditions attaching to the legacies have been fulfilled. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material (see note 20).

Investment income is recognised when receivable.

Grants receivable from service funds and other charities for specific cases, which have not been almonised at the end of the year, are accrued and included as current liabilities. These amounts will be paid in the following year or returned to the relevant providers.

Fundraising income arises from a mixture of events and activities undertaken on a central and branch-wide basis and is recognised when receivable.

Health and welfare includes income generated from the provision of health and social care services to British Forces personnel and their dependants around the world. In calculating revenue on contracts, the Group makes certain estimates in respect to the compliance with performance-related indicators which the

contracts are subject to. A different assessment may result in a different value being determined for revenue.

Care and accommodation income is generated through the provision of these services to the Charity's beneficiaries at a number of residential homes and cottages held by the Charity, and income from residential fees and other services is recognised when the income has been earned.

Adoption income arises through the provision of an adoption agency service for placing children with military families and is recognised when placements have been secured.

Other income includes government grants of £44,000 received in respect of the government kick-starter scheme providing employment opportunities for 16-24 year old on Universal Credit.

EXPENDITURE AND THE BASIS OF ALLOCATION OF COSTS

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

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings within the costs of raising funds and charitable activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity.

Costs of raising funds are those incurred in attracting voluntary income (including through the holding of events, appeals and other fundraising initiatives), and those incurred in generating income from trading activities.

COSTS OF CHARITABLE ACTIVITIES INCLUDE THE FOLLOWING:

Grant payments made to or on behalf of individuals in the furtherance of the Charity’s charitable object.

Grant-aided activities relate to costs associated with providing health and social care services to British Forces personnel and their dependants in far commands.

Health and welfare expenditure includes the direct costs of the welfare department at central office, with allocated communication and marketing costs, volunteer support costs (including training), branch and committee case work costs and branch office and staff costs in the provision of advice and assistance to those in need. This expenditure relates to the core services to British Forces personnel and their dependents around the world. Direct expenditure incurred in the Charity’s subsidiary, The Military Wives Choirs Foundation, is also included within this category of expenditure.

Care and accommodation expenditure primarily relates to the running costs of the Charity’s homes and other accommodation, and the care services provided to the Charity’s beneficiaries therein.

Adoption expenditure relates to staff and sessional staff costs together with departmental running costs and facilitation of the Adoption Panel.

Support costs include central functions, such as management, finance, human resources and information technology. Governance costs are those associated with running the Charity, including Council and Committee expenses, audit and other costs associated with constitutional and statutory

requirements. Support and governance costs are allocated across the categories of costs on the basis of staff numbers engaged in the activities therein as shown in note 7. The administrative charges for the provision of grant-aided activities and the provision of health and welfare services are calculated in accordance with the contractual agreements and directly charged to the relevant cost categories.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets (excluding investment properties) are stated at cost and depreciated in equal instalments from either the date of purchase or the date brought into use at the following rates:

Land	Nil
Freehold buildings	50 years
Long leasehold buildings	50 years
Furniture and fittings	5 years
IT equipment	3 years
Motor vehicles down to 10%	Over 3 years

Additions to furniture, fittings and IT equipment valued at less than £2,000 are fully written off as revenue expenditure in the year of purchase unless they form part of a larger-scale project.

INVESTMENT PROPERTIES

Investment properties for which fair value can be measured reliably on an ongoing basis are measured at fair value annually with any change being recognised in the Consolidated Statement of Financial Activities.

IMPAIRMENT OF ASSETS

At each year end, fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared to its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of Financial Activities.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Financial Activities.

INVESTMENTS

Listed investments are included at bid price (which is deemed to be market value) at the balance sheet date and the Consolidated Statement of Financial Activities shows net investment gains and losses arising from revaluation of the investment portfolio and disposals during the year. Realised gains and losses on investments are calculated as the difference between the sales proceeds and their market value at the start of the year or their subsequent cost and are charged or credited to the Statement of Financial Activities in the year of disposal. Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on market value at the year end.

Investments in subsidiaries are held at cost less impairment in the individual Charity financial statements.

Social investments include investment in other charities which have charitable objects in common with SSAFA and are measured at cost less impairment in the financial Statements of both the individual Charity and the Group.

Entities in which the Group holds an interest and which are jointly controlled by the Group and one or more other ventures under a contractual arrangement are treated as joint ventures. In the Group financial statements, joint ventures are accounted for using the equity method.

Joint ventures are recognised initially in the Consolidated Statement of Financial Activities at the transaction price, and subsequently adjusted to reflect the Group’s share of total comprehensive income and equity of the joint venture, less any impairment. Losses in excess of the carrying amount of an investment in a joint venture are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the joint venture.

FINANCIAL INSTRUMENTS

Both Group and Charity have only financial assets and financial liabilities of a kind that qualify as basic financial instruments.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

CREDITORS AND PROVISIONS

Short term trade creditors are measured at the transaction price, other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using an appropriate discount rate. The unwinding of the discount is recognised as a finance cost in the surplus or deficit in the period it arises.

FUNDS ACCOUNTING

Unrestricted funds

General funds are unrestricted funds that are available for use at the discretion of Council in furtherance of the objectives of the Charity.

Designated funds are unrestricted funds set aside at the discretion of Council for specific purposes. Details of designated funds held are given in note 18

A pension reserve is shown separately within unrestricted funds to reflect the long-term, non-liquid nature of the pension liability.

Restricted funds

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose and the restriction means that the related funds can only be used for the specific activities. Details of restricted funds held are given in note 18.

Except for The Royal Homes fund, no interest on cash balances is allocated to restricted funds, and no overheads or support costs are allocated except where material costs are incurred by a specific fund. Interest earned on restricted funds and most overhead and support costs if reasonably allocated are considered to be of low value. For both unrestricted and restricted funds, both the income and any investment gain or loss have been allocated to the individual funds holding the investment.

Any Gift Aid recovered on donations is treated as part of the related gift in either unrestricted or restricted funds respectively, unless the donor or the terms of the appeal have specified otherwise.

OPERATING LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership of the leased assets to the Group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the Consolidated Statement of Activities on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Group recognises annual rent expense equal to amounts owed to the lessor.

FOREIGN CURRENCY

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purposes of the consolidated financial statements, the results and financial position are presented in Sterling (£).

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates to the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of the historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the Consolidated Statement of Financial Activities in the period in which they arise.

CONTRIBUTIONS TO PENSION SCHEMES

The Group operates a defined benefit pension scheme that requires contributions to be made to a separately administered fund.

Scheme assets are measured at fair values. Scheme liabilities are measured annually on an actuarial basis using the projected unit method, and are discounted at appropriate high-quality corporate bond rates of equivalent currency and term of the scheme liabilities. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the Group.

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised over the period in which the benefit changes vest.

Interest on the scheme liabilities and the expected return on scheme assets are included in net interest payable.

The discount rate for the liabilities and the expected return on the assets is the same and is based on yield curve of high-quality corporate bonds.

Actuarial gains and losses are reported as recognised gains and losses in the Consolidated Statement of Financial Activities.

The Group also operates defined contribution schemes which are multi-employer schemes for which the assets and liabilities cannot be identified separately for the Group members. Pension costs charged in the Consolidated Statement of Financial Activities represent the contributions payable by the Group in the year.

TAXATION

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable object.

Corporation tax is chargeable on the profits generated by the subsidiary companies. These liabilities are recorded in the subsidiary company financial statements and relief against liabilities claimed on distribution of the profits to the parent charity.

Irrecoverable value-added tax is allocated to the category of expenditure to which it relates.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described above, Council are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

NHS defined benefit pension scheme

The Group does not have sufficient information to account reliably for its share of the defined benefit obligation and plan assets and has therefore accounted for the scheme as a defined contribution scheme.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Accrued legacy income

The Group adopts a prudent approach to accounting for legacies to which it is entitled but which have not been realised as cash. For those legacies where there is uncertainty surrounding the measurement of the assets due to a lack of estate accounts no provision is made. Where estate accounts exist but include properties which are not . All estate values are estimated net of administration fees of 5% (2021 - 5%).

Defined benefit pension

The Charity estimates the pension liabilities to the members of the defined benefit local government scheme based on assessments set to market conditions at the year end. The estimates are sensitive to the discount rates and life expectancy assumptions. A discount rate change of 0.1% would result in a change in the valuation of the liability of £2 million and a 1 year change in the life expectancy would result in a change of £6 million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000
1. DONATIONS AND LEGACIES						
Group						
Donations	4,040	1,830	5,870	3,814	2,259	6,073
Legacies	5,089	201	5,290	4,470	17	4,487
	9,129	2,031	11,160	8,284	2,276	10,560
Charity						
Donations	4,665	1,607	6,272	4,892	2,037	6,929
Legacies	5,089	201	5,290	4,470	17	4,487
	9,754	1,808	11,562	9,362	2,054	11,416

The Charity received donations from its subsidiary companies of £1,243,000 in respect of 2022 results (2021: £1,586,000).

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000
2. INCOME FROM CHARITABLE ACTIVITIES						
Group						
Contributions from services and charities for individuals	-	9,528	9,528	-	7,911	7,911
Community health and social services — UK and overseas	-	428	428	-	504	504
Health and welfare contracts incl share of joint venture	5,991	-	5,991	5,908	-	5,908
Group health and welfare	5,991	428	6,419	5,908	504	6,412
Care and accommodation contributions						
Stepping Stone Homes	225	-	225	211	-	211
Residential homes and cottages	103	-	103	118	-	118
Royal Homes	-	546	546	-	479	479
Other	93	-	93	88	-	88
Group care and accommodation contributions	421	546	967	417	479	896
Adoption income	237	-	237	409	-	409
Total income from charitable activities	6,649	10,502	17,151	6,734	8,894	15,628
Charity						
Contributions from services and charities for individuals	-	9,528	9,528	-	7,911	7,911
Community health and social services — UK and overseas	-	428	428	-	504	504
Care and accommodation contributions						
Stepping Stone Homes	225	-	225	211	-	211
Residential homes and cottages	103	-	103	118	-	118
Royal Homes	-	546	546	-	479	479
Other	93	-	93	88	-	88
Charity care and accommodation contributions	421	546	967	417	479	896
Adoption income	237	-	237	409	-	409
Total income from charitable activities	658	10,502	11,160	826	8,894	9,720

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000
3. INCOME FROM INVESTMENTS						
Group						
Listed investments	1,047	106	1,153	1,036	115	1,151
Bank deposits and unquoted investments	5	-	5	6	-	6
Rental income	431	-	431	469	-	469
Total investment income	1,483	106	1,589	1,511	115	1,626
Charity						
Listed investments	1,047	106	1,153	1,036	115	1,151
Bank deposits and unquoted investments	3	-	3	6	-	6
Rental income	431	-	431	469	-	469
Total investment income	1,481	106	1,587	1,511	115	1,626

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000
4. OTHER INCOME						
Group						
Disposal of fixed assets	522	-	522	316	-	316
Coronavirus Job Retention Scheme	-	-	-	55	-	55
Grant for CBILS loan interest	-	-	-	82	-	82
Other income	49	-	49	20	-	20
Total other income	571	-	571	473	-	473
Charity						
Disposal of fixed assets	522	-	522	316	-	316
Management charges to subsidiary undertakings	838	-	838	838	-	838
Salary charges recharged to subsidiary	3,979	-	3,979	3,693	-	3,693
Coronavirus Job Retention Scheme	-	-	-	55	-	55
Grant for CBILS loan interest	-	-	-	82	-	82
Total other income	5,339	-	5,339	4,984	-	4,984

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000
5. EXCEPTIONAL INCOME						
Group and charity						
Contribution from MOD towards defined benefit pension scheme	-	-	-	-	10,000	10,000
Total exceptional income	-	-	-	-	10,000	10,000

Exceptional income is a contribution from the MOD towards the defined benefit pension scheme. See Note 24 for detail.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

6. EXPENDITURE	Activities undertaken directly £'000	Support costs (see note 7) £'000	Total 2022 £'000	Total 2021 £'000
Group				
Raising funds				
Fundraising activities	3,398	45	3,443	2,209
Raising voluntary income	82	762	844	789
Other trading activities	240	-	240	101
	3,720	807	4,527	3,099
Charitable activities				
Supporting clients	19,376	2,359	21,735	18,524
Provision of 'Grant Aided' activities	363	30	393	457
Health and welfare	3,998	818	4,816	4,978
Care and accommodation	2,069	312	2,381	2,030
Adoption services	445	117	562	569
	26,251	3,636	29,887	26,558
Other expenditure	2	-	2	85
Total resources expended	29,973	4,443	34,416	29,742

Fundraising includes the cost of 'attracting' all voluntary income into the Charity.

Charity	Activities undertaken directly £'000	Support costs (see note 7) £'000	Total 2022 £'000	Total 2021 £'000
Raising funds				
Fundraising activities	3,394	45	3,439	2,220
Raising voluntary income	82	756	838	786
	3,476	801	4,277	3,006
Charitable activities				
Supporting clients	18,359	2,343	20,702	17,804
Provision of 'Grant Aided' activities	363	30	393	457
Health and welfare	76	818	894	1,224
Care and accommodation	2,069	310	2,379	2,028
Adoption services	445	117	562	569
	21,312	3,618	24,930	22,082
Other expenditure - payroll costs for subsidiary companies	3,834	-	3,834	3,775
Total resources expended	28,622	4,419	33,041	28,863

Fundraising includes the cost of 'attracting' all voluntary income into the Charity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

6. EXPENDITURE cont.

SUPPORTING CLIENTS - WELFARE AND GRANTS PAYABLE	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000
Group						
Casework	8,942	10,694	19,636	7,308	10,087	17,395
Specialist services	310	954	1,264	251	408	659
Military Wives Choirs	497	338	835	187	283	470
	9,749	11,986	21,735	7,746	10,778	18,524

All grants were paid to or on the behalf of eligible individuals.

SUPPORTING CLIENTS - WELFARE AND GRANTS PAYABLE	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000
Charity						
Casework	8,744	10,694	19,438	7,058	10,087	17,145
Specialist services	310	954	1,264	251	408	659
	9,054	11,648	20,702	7,309	10,495	17,804

OTHER EXPENDITURE	2022	2022	2022	2021	2021	2021
Group	Unrestricted £'000	Restricted £'000	Total £ '000	Unrestricted £'000	Restricted £'000	Total £'000
Interest on CBILS loan	-	-	-	82	-	82
Loan interest	2	-	2	-	-	-
Loss on disposal of Joint Venture investment	-	-	-	3	-	3
	2	-	2	85	-	85

OTHER EXPENDITURE	2022	2022	2022	2021	2021	2021
Charity	Unrestricted £'000	Restricted £'000	Total £ '000	Unrestricted £'000	Restricted £'000	Total £'000
Payroll costs for subsidiaries	3,832	-	3,832	3,693	-	3,693
Interest on CBILS loan	-	-	-	82	-	82
Loan interest	2	-	2	-	-	-
	3,834	-	3,834	3,775	-	3,775

The administrative charges for the provision of 'grant-aided' activities and the provision of health and welfare services charge include support costs and are calculated in accordance with the contract agreements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

7. SUPPORT COSTS	Management £'000	Finance £'000	Human Resources £'000	Information Technology £'000	Facilities £'000	Governance £'000	Total 2022 £'000	Total 2021 £'000
Group								
Raising funds	30	50	181	243	254	49	807	762
Charitable activities								
Grants payable	88	147	529	712	740	143	2,359	2,341
Care and accommodation	12	19	70	94	98	19	312	396
Adoption	4	7	26	36	37	7	117	159
Total charitable activities	134	223	806	1,085	1,129	218	3,595	3,658
Health and welfare services							818	817
Grant-aided activities							30	25
Total support costs							4,443	4,500

	Management £'000	Finance £'000	Human Resources £'000	Information Technology £'000	Facilities £'000	Governance £'000	Total 2022 £'000	Total 2021 £'000
Charity								
Raising funds	30	44	181	243	254	49	801	759
Charitable activities								
Grants payable	88	131	529	712	740	143	2,343	2,328
Care and accommodation	12	17	70	94	98	19	310	394
Adoption services	4	7	26	36	37	7	117	159
	134	199	806	1,085	1,129	218	3,571	3,640
Health and welfare services							818	817
Grant-aided activities							30	25
Total support costs							4,419	4,482

Governance costs include:	2022 £'000	2021 £'000
Council, AGM & Committee expenses	3	2
Annual reports	5	6
Audit	76	68
Legal and professional	74	61
Apportionment of employee costs	60	72
	218	209

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

8. NET EXPENDITURE	2022 £'000	2021 £'000
This is stated after charging/(crediting):		
Fees payable to the Charity's auditor		
Audit of the Charity's accounts	46	39
Audit of subsidiaries	30	29
Total audit fees	76	68
Non-audit fees: Taxation compliance services	5	5
Depreciation of tangible fixed assets	169	191
Expenditure on fixtures, fittings & equipment written off	201	234
Profit on disposal of fixed assets	(522)	(316)
Amounts paid under operating leases (see below)	60	59

The Group's future minimum operating lease payments are as follows:	2022 £'000	2021 £'000
Within one year	71	52
In two to five years inclusive	65	51

The Charity's future minimum operating lease payments are as follows:	2022 £'000	2021 £'000
Within one year	46	26
In two to five years inclusive	52	13

	Non MOD 2022 £'000	MOD 2022 £'000	Total 2022 £'000	Non MOD 2021 £'000	MOD 2021 £'000	Total 2021 £'000
9. EMPLOYEE AND STAFF COSTS						
Staff costs during the year were as follows:						
Wages and salaries	9,214	2,972	12,186	7,988	2,842	10,830
Social security costs	900	271	1,171	733	259	992
Other pension costs	679	213	892	485	210	695
Total staff costs	10,793	3,456	14,249	9,206	3,311	12,517
Agency locums and other contractors	433	191	624	650	162	812
Total labour costs	11,226	3,647	14,873	9,856	3,473	13,329

Redundancy costs of £70,000 (2021: £40,000) are included above. These are recognised when a constructive obligation arises.

In addition, a great amount of time is donated by thousands of volunteers throughout the world. Trustees and employees are extremely grateful for this support without which the Charity would be unable to provide such a comprehensive range of services to beneficiaries. Due to the costs involved in quantifying this the Trustees do not consider it possible to reflect this in the financial statements.

	Non MOD 2022 Number	MOD 2022 Number	Total 2022 Number	Non MOD 2021 Number	MOD 2021 Number	Total 2021 Number
The number of employees paid by the Charity whose emoluments, excluding employer's pension contributions, exceeded £60,000 in the year were as follows:						
£60,001 to £70,000	7	-	7	5	-	5
£70,001 to £80,000	3	1	4	6	1	7
£80,001 to £90,000	2	-	2	2	-	2
£90,001 to £100,000	1	-	1	1	-	1
£120,001 to £130,000	-	-	-	1	-	1
£130,001 to £140,000	1	-	1	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

9. EMPLOYEE AND STAFF COSTS Cont.

The key management personnel of the Charity comprise the Controller and the members of the Management Board. The cost of employing management personnel for the Charity was therefore £809,000 (2021: £815,000).

The average number of UK contracted staff throughout the year for the Group and the Charity, analysed by activity, was:

	Non-MOD 2022 Number	MOD Contracts* 2022 Number	Total 2022 Number	Non-MOD 2021 Number	MOD Contracts* 2021 Number	Total 2021 Number
Voluntary income	3	-	3	3	-	3
Raising funds	52	-	52	44	-	44
Grants payable	160	-	160	130	-	130
Care and accommodation	21	-	21	22	-	22
Adoption services	8	-	8	9	-	9
Health and welfare	-	105	105	-	101	101
Community health and grant-in-aid	-	8	8	-	10	10
Management and support	36	-	36	32	-	32
Total staff numbers	280	113	393	240	111	351

* Information for staff engaged in the provision of medical and social welfare services to the MOD has been provided to differentiate them from staff primarily engaged in the provision of services to beneficiaries.

10. TRUSTEE REMUNERATION

Lady Walmsley has a controlling interest in Ashbourne Strategic Consulting Limited, a company which received fees of £12,000 (2021 - £11,000) from the Charity for her role as Chair of the London Carol Concert Committee as approved by Trustees. Other Trustees are not remunerated. They are reimbursed expenses or amounts are paid on their behalf for attending meetings and duties directly related to their duties as Trustees.

In 2022 total expenses of £6,000 (2021 £4,000) were paid for 7 Trustees (2021 - 5).

Trustee indemnity insurance is held as part of a wider policy covering staff and volunteers. The premium for Trustee insurance cannot be separately identified but is estimated at £2,500 (2021 - £2,500)

11. NET (LOSSES) /GAINS ON INVESTMENTS Group	Unrestricted £'000	Restricted £'000	Total 2022 £'000	Unrestricted £'000	Restricted £'000	Total 2021 £'000
Unrealised (losses)/gains on listed investments	(4,364)	(488)	(4,852)	2,735	307	3,042
Fair value adjustment on investment properties	51	-	51	-	-	-
Net assets disposed of on disposal of subsidiary charity	(42)	(34)	(76)	-	-	-
Total net (losses)/gains on investments	(4,355)	(522)	(4,877)	2,735	307	3,042

Charity	Unrestricted £'000	Restricted £'000	Total 2022 £'000	Unrestricted £'000	Restricted £'000	Total 2021 £'000
Unrealised (losses)/gains on listed investments	(4,364)	(488)	(4,852)	2,735	307	3,042
Fair value adjustment on investment properties	51	-	51	-	-	-
Total net (losses)/gains on investments	(4,313)	(488)	(4,801)	2,735	307	3,042

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 202

12. TRANSFER OF FUNDS	Unrestricted 2022 £'000	Restricted 2022 £'000	Total 2022 £'000	Unrestricted 2021 £'000	Restricted 2021 £'000	Total 2021 £'000
Transfer of exceptional income to pension reserve	-	-	-	10,000	(10,000)	-
Other transfers	34	(34)	-	117	(117)	-
Total transfers - charity	34	(34)	-	10,117	(10,117)	-
Military Wives Choirs	(8)	8	-	-	-	-
Total transfers - group	26	(26)	-	10,117	(10,117)	-

13. TANGIBLE FIXED ASSETS	Freehold properties £'000	Long leasehold properties £'000	Motor vehicles £'000	IT, furniture & equipment £'000	Total £'000
Group					
Cost					
At 1 January 2022	9,627	966	20	1,180	11,793
Transfer to investment property	(1,786)	-	-	-	(1,786)
Disposals	(105)	-	-	(5)	(110)
At 31 December 2022	7,736	966	20	1,175	9,897
Depreciation					
At 1 January 2022	1,142	324	19	1,166	2,651
Charge for year	137	19	-	13	169
Transfer to investment property	(251)	-	-	-	(251)
Eliminated on disposal	(20)	-	-	(4)	(24)
At 31 December 2022	1,008	343	19	1,175	2,545
Net book value					
At 31 December 2022	6,728	623	1	-	7,352
At 31 December 2021	8,485	642	1	14	9,142

	Freehold properties £'000	Long leasehold properties £'000	Motor vehicles £'000	IT, furniture & equipment £'000	Total £'000
Charity					
Cost					
At 1 January 2022	9,627	966	20	1,175	11,788
Transfer to investment property	(1,786)	-	-	-	(1,786)
Disposals	(105)	-	-	-	(105)
At 31 December 2022	7,736	966	20	1,175	9,897
Depreciation					
At 1 January 2022	1,142	324	19	1,162	2,647
Charge for year	137	19	-	13	169
Transfer to investment property	(251)	-	-	-	(251)
Eliminated on disposal	(20)	-	-	-	(20)
At 31 December 2022	1,008	343	19	1,175	2,545
Net book value					
At 31 December 2022	6,728	623	1	-	7,352
At 31 December 2021	8,485	642	1	13	9,141

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

14. INVESTMENTS	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Investments comprise:				
Freehold investment properties	9,942	8,356	9,942	8,356
Listed investments	29,700	34,565	29,700	34,565
Social investment	249	-	249	-
Investments in subsidiaries	-	-	10	10
	39,891	42,921	39,901	42,931

	Group Freehold £'000	Charity Freehold £'000
Investment properties at fair value		
As at 1 January 2022	8,356	8,356
Transfer from fixed assets	1,535	1,535
Revaluation of asset transferred from freehold property	1,251	1,251
Decrease in fair value in year	(1,200)	(1,200)
As at 31 December 2022	9,942	9,942

The freehold investment property, a part of the freehold SSAFA Headquarters property was revalued at 31 December 2022, based on a valuation undertaken by Jones Lang Lasalle, an independent valuer with recent experience in the location and classes of the investment properties being valued. The valuation was prepared in accordance with the RICS Valuation - Professional Standards, January 2014 as published by the Royal Institution of Chartered Surveyors on the basis of Fair Value for current use. NatWest Bank plc holds a charge over the property to

As set out in note 3, property rental income earned during the year was £431,000 (2021: £469,000). The freehold investment property is leased out under operating leases and the leasehold investment property formed part of a wider contractual arrangement. Direct operating expenses arising on the freehold investment property generated rental income in the year of £ 91,000 (2021 - £85,000).

At the balance sheet date, the Charity had contracted with tenants for the following future minimum lease payments:

	2022 £'000	2021 £'000
Within one year	405	149
In two to five years inclusive	849	162

Listed investments	Total £'000
Group:	
Market value:	
At 1 January 2022	34,565
Acquisitions	42
Receipts from disposals of investments	(55)
Realised and unrealised profits on revaluation	(4,852)
At 31 December 2022 – Group	29,700
Investment in subsidiary	10
At 31 December 2022 – Charity	29,710
Historical cost at 31 December 2022	23,831

	2022 £'000	2021 £'000
Listed investments are represented by:		
Armed Forces Charity Authorised Investment Fund Units	29,529	34,309
United Kingdom – Equities	171	256
	29,700	34,565

Investments within the portfolio which amount to more than 5% of total holdings as at 31 December 2022 were:

	2022 £'000	2021 £'000
Armed Forces Charity Authorised Investment Fund	29,529	34,309

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

14. INVESTMENTS Cont.	2022 £'000
Social investments	
At 1 January 2022	-
Transfer from subsidiary undertakings	249
At 31 December 2022	249

Social investments are represented by the Military Wives Choirs Foundation, a Charity incorporated in England & Wales. Until 31 December SSAFA was the sole member of the Foundation, when it resigned and the Trustees of the Foundation became its members. The Military Wives Choirs Foundation runs over 70 choirs across the United Kingdom and overseas where there is a British military presence and provides welfare through singing to women in military families.

Subsidiary undertakings		
As at the balance sheet date, the Charity owned the entire ordinary share capital (where applicable) of the following subsidiary undertakings:		
Name	Holding	Activity
SSAFA Family Health Services	Limited by guarantee	Health and welfare services
SSAFA Forces Help Enterprises Limited	10,000 £1 ordinary shares	Sale of merchandise
SSAFA CMS Limited	100 £1 ordinary shares	Casework management system

On 31 December 2022 the Charity resigned its sole membership of Military Wives Choirs Foundation.

Details of the subsidiaries' profit and loss accounts are as given below. These undertakings (excluding the charitable subsidiary) donate their taxable profits to the Charity each year.

The assets and liabilities of each subsidiary as extracted from the latest financial statements were:

	SSAFA Family Health Services		SSAFA Forces Help Enterprises Limited		SSAFA CMS Limited	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Total assets	799	902	349	304	111	174
Total liabilities	(357)	(720)	(252)	(180)	(109)	(173)
	442	182	97	124	2	1
Represented by:						
Share capital	-	-	10	10	-	-
Reserves	442	182	87	114	2	1
	442	182	97	124	2	1
The results for the year were:						
Income	5,991	5,910	606	259	377	410
Expenditure	(4,843)	(4,573)	(268)	(98)	(376)	(410)
Net income/(expenditure)	1,148	1,337	338	161	1	-
Asset disposal	-	-	-	-	-	-
Donation to charity under Gift Aid	(888)	(1,345)	(365)	(246)	-	-
Reserves brought forward	182	190	114	199	1	1
Retained in subsidiary	442	182	87	114	2	1

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

14. INVESTMENTS Cont.

Joint venture

The provision of primary health care services in North West Europe was performed by the Charity's joint venture, SSAFA GSTT Care LLP. The Group holds 50% of the capital of SSAFA GSTT Care LLP, held at a cost of £1 by SSAFA Family Health Services. The LLP was placed into members' voluntary liquidation in April 2021.

	SSAFA GSTT Care LLP 2022 £'000	SSAFA GSTT Care LLP 2021 £'000
A summary of the Group's share of the joint venture:		
Turnover	-	-
Expenditure	-	(3)
(Loss)/profit before and after tax	-	(3)
Current assets	-	-
Liabilities due within 1 year	-	-

All income and expenditure through the joint venture are included in health and welfare activities as shown in the Group Statement of Financial Activities.

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
15. DEBTORS				
Trade debtors	964	761	244	367
Amounts owed by subsidiary undertakings	-	-	347	850
Other debtors	61	52	4	12
Prepayments and accrued income	4,202	4,812	4,079	4,696
Total debtors	5,227	5,625	4,674	5,925

Amounts owed by Group undertakings are repayable on demand and no interest is payable. All amounts are due within one year.

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
16. CREDITORS				
Amounts falling due within one year:				
Bank loans	500	4,583	500	4,583
Trade creditors	723	747	552	494
Other tax and social security costs	508	533	506	536
Other creditors	333	148	219	157
Unalmonised grants	1,464	1,521	1,464	1,521
Accruals and deferred income	619	922	557	687
Total creditors	4,147	8,454	3,798	7,978

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
17. CREDITORS				
Amounts falling due after more than one year:				
Bank loans	-	417	-	417
Total creditors	-	417	-	417

During the year the Charity repaid the Coronavirus Business Interruption Loan and secured a Revolving Credit Facility with NatWest Bank plc for up to £5 million for three years, of which £500,000 was borrowed at the balance sheet date. The loan is secured against the freehold property.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Balance at 1 January 2022 £'000	Incoming resources £'000	Resources expended £'000	Other movements £'000	Transfers £'000	Balance at 31 December 2022 £'000
18. FUNDS						
General funds	54,280	20,298	(20,916)	(4,298)	(109)	49,255
Designated funds						
Carmichael Walker Fund	452	12	(7)	(57)	-	400
Royal Patriotic Fund	1,150	-	(36)	-	-	1,114
Total designated funds	1,602	12	(43)	(57)	-	1,514
Pension reserve	-	-	(99)	(36)	135	-
Total unrestricted funds	55,882	20,310	(21,058)	(4,391)	26	50,769
Restricted funds						
Welfare and case grants	976	849	(1,302)	(5)	-	518
Housing	397	98	(43)	-	-	452
UK Armed Forces and other charities	-	9,528	(9,493)	-	(35)	-
UK Armed Forces 'grant-aided' activities	-	428	(394)	-	(34)	-
The Royal Homes	2,116	603	(978)	(273)	-	1,468
Miscellaneous branch funds	2,320	421	(211)	(210)	35	2,355
Adoption services	100	50	-	-	-	150
Welfare funds	1,119	525	(599)	-	-	1,045
Total restricted funds — Charity	7,028	12,502	(13,020)	(488)	(34)	5,988
Military Wives Choirs Foundation	141	223	(338)	(34)	8	-
Total restricted funds - group	7,169	12,725	(13,358)	(522)	(26)	5,988
Total funds - Group	63,051	33,035	(34,416)	(4,913)	-	56,757
General funds						
SSAFA Family Health Services	(182)					(442)
SSAFA Forces Help Enterprises Limited	(107)					(80)
SSAFA CMS Limited	(1)					(2)
Military Wives Choirs Foundation	(227)					-
Total funds — Charity	62,534					56,233

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

18. FUNDS (continued)	Balance at 1 January 2021 £'000	Incoming resources £'000	Resources expended £'000	Other movements £'000	Transfers £'000	Balance at 31 December 2021 £'000
General funds	49,813	18,924	(17,115)	2,699	(41)	54,280
Designated funds						
Carmichael Walker Fund	413	12	(9)	36	-	452
Royal Patriotic Fund	1,215	-	(65)	-	-	1,150
Total designated funds	1,628	12	(74)	36		1,602
Pension reserve	(17,086)	-	(698)	7,626	10,158	-
Total unrestricted funds	34,355	18,936	(17,887)	10,361	10,117	55,882
Restricted funds						
Defined Pension Contribution from MOD	-	10,000	-	-	(10,000)	-
Welfare and case grants	1,489	890	(1,406)	3	-	976
Housing	327	70	-	-	-	397
UK Armed Forces and other charities	-	7,824	(7,824)	-	-	-
UK Armed Forces 'grant-aided' activities	-	504	(457)	-	(47)	-
The Royal Homes	2,018	540	(620)	178		2,116
Miscellaneous branch funds	2,223	230	(189)	126	(70)	2,320
Adoption services	100	-	-	-	-	100
Welfare funds	1,169	1,026	(1,076)	-	-	1,119
Total restricted funds — Charity	7,326	21,084	(11,572)	307	(10,117)	7,028
Military Wives Choirs Foundation	202	222	(283)	-	-	141
Total restricted funds - group	7,528	21,306	(11,855)	307	(10,117)	7,169
Total funds - Group	41,883	40,242	(29,742)	10,668	-	63,051
General funds						
SSAFA Family Health Services	(190)					(182)
SSAFA Forces Help Enterprises Limited	(192)					(107)
SSAFA CMS Limited	(1)					(1)
Share of joint venture	(3)					-
Military Wives Choirs Foundation	(210)					(227)
Total funds — Charity	41,287					62,534

Funds are held for use for the following purposes:

General funds

General funds are available for use at the discretion of Council to further the Charity's objectives.

Designated funds

Carmichael Walker Fund — for use on charitable activities in the North East of England.

Royal Patriotic Fund — having accepted the funds and obligations of the Royal Patriotic Fund Corporation on 27 May 2011, the assets attaining have been designated for the purposes of the Royal Patriotic Fund Corporation.

Restricted Funds

Welfare and case grants - includes funding received from the Armed Forces Covenant Fund for four projects, Short Breaks, Mutual Support, Mental Health First Aid and Mentoring.

Homes from Home Appeal - to provide funding for families visiting injured servicemen and women at Norton House

UK Armed Forces and other charities - contributions received from these bodies to provide grants to individuals for welfare purposes

UK Armed Forces-Grant Aided - received under grant in aid to reimburse the costs incurred in the provision of Community Health and Social Services

The Royal Homes - a charity providing residential facilities linked with the Charity's activities under a Charity Commission Scheme in 1998

Miscellaneous branch funds - funds which have been received by branches for specific use in their local areas

Welfare funds - income or capital received which may only be applied in the provision of welfare services to eligible individuals in need

Included under this heading is The Aircrew Association Charitable Fund, a subsidiary charity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

19. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	General 2022 £'000	Designated 2022 £'000	Restricted 2022 £'000	Total 2022 £'000
Fund balances at 31 December 2022 are represented by:				
Tangible fixed assets	7,050	-	302	7,352
Investments	36,479	352	3,060	39,891
Net current assets	5,726	1,162	2,626	9,514
Total net assets between funds	49,255	1,514	5,988	56,757

	General 2021 £'000	Designated 2021 £'000	Restricted 2021 £'000	Total 2021 £'000
Fund balances at 31 December 2021 are represented by:				
Tangible fixed assets	8,838	-	304	9,142
Investments	39,785	355	2,781	42,921
Net current assets	6,074	1,247	4,084	11,405
Liabilities due after more than one year	(417)	-	-	(417)
Total net assets between funds	54,280	1,602	7,169	63,051

20. CONTINGENT ASSETS

Neither the Group nor the Charity have identified any contingent assets due either at 31 December 2022 nor at 31 December 2021.

21. CONTINGENT LIABILITIES

The Charity had no contingent liabilities either at 31 December 2022 nor at 31 December 2021..

22. CAPITAL COMMITMENTS

The Group had no capital commitments either at 31 December 2022 nor at 31 December 2021.

23. BANK GUARANTEE

The Charity has guaranteed overdraft facilities for its charitable trading subsidiary, SSAFA Family Health Services, up to £1 million.

As additional security, the bank holds a debenture over the assets of SSAFA Family Health Services.

24. RETIREMENT BENEFITS

	2022 £'000	2021 £'000
Local Government Pension Scheme	135	10,158
Aviva Group Personal Pension Plan	751	525
NHS Pensions Scheme	7	12
Total contributions	893	10,695

Aviva Group Personal Pension Plan

SSAFA operates a defined contributions pension scheme for the benefit of SSAFA's employees. The assets of the scheme are administered by Trustees in a fund independent from those of the Charity. The charge for the year represents those contributions payable to the scheme in respect of the accounting period.

SSAFA had 334 active members in the scheme as at 31 December 2022 (2021: 291) and total pension scheme contributions outstanding at the year end amounted to £80,000 (2021: £69,000).

NHS Pensions Scheme

Following the transfer of staff to SSAFA from the MOD, SSAFA currently participates in the NHS Pensions Scheme. The NHS Pension Scheme is an unfunded multi-employer defined benefit scheme. The assets of the scheme are administered by NHS Pensions in a fund which is independent of SSAFA. The charge for the year represents those contributions payable to the scheme in respect of the accounting period. Entry into this scheme is strictly limited to employees transferring to SSAFA from the NHS and at 31 December 2022, the Association had 1 (2021:2) active members in this scheme.

The pension scheme contributions outstanding at the end of the accounting period amounted to £1,000 (2021: £2,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

24. RETIREMENT BENEFITS (continued)

Local Government Pension Scheme (LGPS)

SSAFA participates in a defined benefit scheme with contributions paid by the employer. The scheme is a multi-employer scheme administered by the London Pension Fund Authority (LPFA) and is only open to certain categories of SSAFA's employees. The scheme is closed to new members.

At 31 December 2022 the Association had 16 active members (2021: 19).

The last actuarial valuation of the scheme was at 31 March 2020 using the projected unit method and the attained age method, dependent on the fund being valued. At the valuation date the market value of the LPFA assets was £6,053m in comparison to the actuarial value of benefits that had accrued to members of £5,554m. Accordingly, as at 31 March 2020, there was a surplus of £481m. Although the London Pension Fund Authority is a multi-employer scheme, it has been able to allocate assets and liabilities relating to SSAFA Forces Help and these are disclosed below.

The employer contributed 19.7% during the year and the employee contribution rate ranges from 5.5% to 10.5% depending on the full-time annual rate of pay.

At 31 December 2022 the valuation was updated in accordance with FRS 102 and in line with the assumptions used in the 2022 scheme valuation. The major assumptions used by the actuary were:

Assumptions as at	31 December 2022 % p.a.	31 December 2021 % p.a.
RPI increases	3.2%	3.2%
CPI increases	2.8%	2.9%
Salary increases	3.8%	4.0%
Pension increases	2.8%	3.0%
Discount rate	4.9%	1.9%

Mortality assumption

The post-retirement mortality tables are based on Club Vita analysis. These base tables are then projected using the CMI 2021 model allowing for a long-term rate of improvement of 1.25% per annum.

Assumptions: members will exchange half of their commutable pension for cash at retirement and active members will retire at one retirement age for all tranches of benefit, which will be the pension-weighted average tranche retirement age. No members will take up the option under the new LGPS to pay 50% of contributions for 50% of benefits.

Assets

The estimated asset allocation as at 31 December 2022 is as follows:

	31 December 2022 % p.a.	31 December 2021 % p.a.
Equities	56%	58%
Target Return Portfolio	19%	21%
Infrastructure	13%	9%
Property	10%	8%
Cash	2%	4%
Total	100%	100%

None of the fair values of the assets shown above include any of the Group's own financial instruments or any property occupied by, or other assets used by the Group.

Statement of financial position as at 31 December 2022	2022 £'000	2021 £'000
Fair value of scheme assets (bid value)	139,076	145,173
Present value of funded obligations	(71,427)	(123,562)
Asset ceiling - restriction on recognising surplus	(67,649)	(21,611)
Net pension liability	-	-

At the year end the actuarial valuation was a surplus of £67,649,000. The Trustees consider the Charity has no right to any future economic benefits from the scheme despite the asset position and have not recognised an asset in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

24. RETIREMENT BENEFITS (continued)

Reconciliation of defined benefit obligation:	2022 £'000	2021 £'000
Opening defined benefit obligation	123,562	134,570
Current service cost	311	394
Interest cost	2,252	1,659
Change in financial assumptions	(51,220)	(4,436)
Change in demographic assumptions	-	(1,643)
Experience gain on defined benefit obligation	157	(3,193)
Past service costs	-	-
Contributions by Scheme participants	53	62
Estimated benefits paid (net of transfers in)	(3,688)	(3,851)
Closing defined benefit obligation	71,427	123,562

Reconciliation of fair value of employer assets:	2022 £'000	2021 £'000
Opening fair value of scheme assets	145,173	117,484
Interest on assets	2,653	1,508
Return on assets less interest	(3,227)	19,965
Administration expenses	(189)	(153)
Other actuarial losses	(1,834)	-
Contributions by employer (including unfunded)	135	10,158
Contributions by scheme participants	53	62
Estimated benefits paid (net of transfers in and including unfunded)	(3,688)	(3,851)
Asset ceiling - restriction on recognising surplus	(67,649)	(21,611)
Closing fair value of employers assets	71,427	123,562

The actual loss on plan assets over the year ended 31 December 2022 was £574,000 (2021: £21,473,000 gain).

Fair value of the plan assets at the reporting period end	2022 £'000	2021 £'000
Equities	77,704	83,261
Gilts	26,949	29,873
Other bonds	17,533	13,250
Property	13,501	12,333
Cash	3,389	6,456
	139,076	145,173

Defined benefit costs recognised in the Statement of Financial Activities	2022 £'000	2021 £'000
Service cost	311	394
Net interest on the defined liability	(401)	151
Administration expenses	189	153
Defined benefit costs recognised in the Statement of Financial Activities	99	698

Re-measurement of the net assets/(defined liability)	2022 £'000	2021 £'000
Return of fund assets in excess of interest	(3,227)	19,965
Other actuarial gains on assets	(1,834)	-
Change in financial assumptions	51,220	4,436
Change in demographic assumptions	-	1,643
Experience gain on defined benefit obligation	(157)	3,193
Asset ceiling - restriction on recognising surplus	(67,649)	(21,611)
Re-measurement of the net assets/(defined liability)	(21,647)	7,726

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

24. RETIREMENT BENEFITS (continued)

	2022 £'000	2021 £'000
Reconciliation of opening and closing deficit:		
Surplus/(deficit) at beginning of the year	21,611	(17,086)
Current service cost	(311)	(394)
Past service cost	-	-
Employer contributions	135	10,158
Other finance income	401	(151)
Actuarial gains/(losses)	46,002	29,237
Asset ceiling - restriction on recognising surplus	(67,649)	(21,611)
Administrative expenses	(189)	(153)
Deficit at end of the year	-	-

Sensitivity Analysis

The following table sets out the impact of a small change in the discount rate or mortality assumptions:		£'000s	£'000s	£'000s
Adjustment to discount rate		0.1%	0%	-0.1%
	Present value of total obligation	70,254	71,427	72,620
	Projected service cost	131	135	139
Adjustment to long term salary increase		0.1%	0%	-0.1%
	Present value of total obligation	71,476	71,427	71,378
	Projected service cost	135	135	135
Adjustment to pension increases and deferred revaluation		0.1%	0%	-0.1%
	Present value of total obligation	72,594	71,427	70,279
	Projected service cost	139	35	131
Adjustment to life expectancy assumptions		+1 Year	None	- 1 Year
	Present value of total obligation	74,152	71,427	68,812
	Projected service cost	140	135	130

25. FINANCIAL ASSETS AND LIABILITIES

Group	2022 £'000	2021 £'000
Financial assets	39,134	49,583
Financial liabilities	3,639	7,921
Charity	2022 £'000	2021 £'000
Financial assets	38,406	49,143
Financial liabilities	3,292	7,442

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

26. RELATED PARTY TRANSACTIONS

The Charity had the following transactions with its wholly owned subsidiaries

	2022 £'000	2021 £'000
Management fees charged to SSAFA Forces Help Enterprises Limited	20	20
Donation received from SSAFA Forces Help Enterprises Limited under Gift Aid	365	246
Amount due from SSAFA Forces Help Enterprises Limited	129	86
Salary and management charges to SSAFA Family Health Services	4,797	4,511
Donation received from SSAFA Family Health Services under Gift Aid	888	1,345
Amount due from SSAFA Family Health Services	219	502
Salary costs recharged to SSAFA CMS Limited	193	183
Amounts charged from SSAFA CMS Limited	103	93
Amounts due from Military Wives Choirs Foundation	-	261

Guarantor:

The Charity is the Guarantor of a £1 million overdraft facility provided to SSAFA Family Health Services by Royal Bank of Scotland



Regulars | Reserves | Veterans | Families

SSAFA, the Armed Forces charity is a trusted source of practical, emotional, and financial support for serving personnel, veterans and their families in their time of need. In 2022 our trained teams of volunteers and employees helped more than 59,000 people, from Second World War veterans to those who have served in more recent conflicts, or currently serving (both Regulars and Reserves), and their families.

SSAFA understands that behind every uniform is a person. And we are here for that person and their family, any time they need us and in any way they need us.



NEED TO TALK?

SSAFA's Forcesline is a free and confidential helpline providing advice and information for serving personnel, reserves, veterans and their families, and is completely independent of the chain of command.

■ Call **0800 260 6767** Lines open 09.00 to 17.30 weekdays

■ Visit **ssafa.org.uk/forcesline**

To make a donation to support our Armed Forces family:

■ Visit **ssafa.org.uk/give**



THE SOLDIERS, SAILORS, AIRMEN AND FAMILIES ASSOCIATION - FORCES HELP

England & Wales - Charity number 210760

Accounts



ANNUAL REPORT AND ACCOUNTS

2021

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The Soldiers', Sailors', Airmen's and Families' Association - Forces Help

Queen Elizabeth House, 4 St Dunstan's Hill
London EC3R 8AD
ssaafa.org.uk

Registered Charity Numbers

210760 (England and Wales)
SC038056 (Scotland)
149 (Gibraltar)
20202001 (Republic of Ireland)

Auditor

Moore Kingston Smith LLP, Statutory Auditor, Chartered Accountants, 9 Appold Street, London EC2A 2AP

Bankers

Coutts & Co
440 Strand, London WC2R 0QS

Royal Bank of Scotland Plc

West End Commercial Centre, 1st Floor, Argyll House,
T/O 246 Regent Street, London W1B 3PB

Investment Managers

BlackRock Investment Managers Ltd,
12 Throgmorton Avenue, London EC2N 2DL

Solicitors

Withers LLP, 20 Old Bailey, London EC4M 7EG

A MESSAGE FROM OUR CHAIR

Welcome to our 2021 Annual Report and Accounts

It's been a year of positive change and development at SSAFA with more than 66,000 members of the Armed Forces community supported in very challenging conditions, and I take great pride in that achievement. There's never been a more important time, with uncertainties at home and abroad, for SSAFA to provide wide-ranging welfare and wellbeing support to all serving personnel (regulars and reserves), veterans and their families – irrespective of their service history, rank, regiment, gender, sexual orientation, ethnicity or religion.

Through our network of branches in local communities and service committees on military bases, our employees and more than 3,400 volunteers we offer practical, financial and emotional support.

Our short-term financial support, originally introduced in 2020, continued to provide immediate crisis support within 24-hours to those who are unable to feed or clothe themselves. This tailored welfare support gave our volunteers the necessary time to carry out a full casework assessment. Occupational therapy (OT) assessments were introduced as part of our OT Practice service and have so far provided more than 300 referrals, replacing the lack of OT assessments from local and other providers due to Covid-19. This has enabled those isolated in their homes due to mobility issues, to start to regain their independence.

Our free confidential helpline, Forcesline, handled in excess of 27,500 enquiries with telephone contacts increasing significantly at the end of 2021 when they returned to pre-Covid levels. There was a dramatic increase in those needing help with housing, debt and food poverty issues, as well as those struggling with the challenges of loneliness and isolation.

As we look to the future, our SSAFA@140 programme focuses on strengthening our support by putting our beneficiaries at the heart of what we do. In 2021 we took the first steps towards optimising our network to ensure sustainability, by providing a timely and quality assured service for the next decade and beyond. Our

newly established regional hubs support our volunteer network and reduce the administrative burden, while ensuring consistent, timely and a quality assured service to our beneficiaries. Initial results from the pilot hubs demonstrate benefits, such as 97% of calls dealt with on the same day, beneficiary appointments made within five days and a positive impact on local volunteer recruitment.

During the last twelve months there has been a much better than expected fundraising environment, despite the continued challenges of Covid-19 restrictions. Most of our income streams outperformed their targets this year and I am delighted that several of our key fundraising events resumed, and more face-to-face events took place.

We need to continue to meet both current and future financial and social welfare needs faced by our serving and veteran communities, as well as their families. Investment in fundraising, supporting our volunteers and growing our collaborations across the Charity sector are all vital to secure SSAFA's future. Above all, understanding the needs of our beneficiaries through our research, insight and lived experience is critical, so that we can continue to deliver effective, consistent support, conscious of their changing needs and how we have adapted as a result of the Covid-19 pandemic.

Finally, we would not be able to deliver all that we do, without our incredible volunteers, and our many corporate and commercial partners, who continue to provide much needed resources. Thank you all for your dedication and hard work. This commitment is vital as we continue to support the Armed Forces community, whenever and wherever they may need us.

A handwritten signature in black ink, appearing to read 'G. Coward'.

Lieutenant General
Sir Gary Coward KBE CB
National Chair



SSAFA'S GOVERNANCE STRUCTURE

This page provides an overview of SSAFA's governance structure.

SSAFA is governed by a Trustee body, referred to as SSAFA Council, with our National Chair the Chairman of Council.

Officers of the Association (National Chair, National Vice Chair, Deputy National Chair and Honorary Treasurer) and Members of the Council are all Trustees. They are incorporated as a body operating under the Association's Royal Charter. One third of our Trustees are required to retire each year but are eligible for re-election by the Association.

Trustees are ultimately responsible for all matters concerning governance, strategic direction, legal operation and financial probity. They exercise authority only when making a majority decision at a duly constituted meeting of Council, comprising between seven and 17 members.

Our Chief Executive, known as the Controller, is responsible to the charity's Trustees for the management of SSAFA's global activities. The Controller chairs the Management Board, which oversees SSAFA's wide range of activities in support of the Armed Forces community.

PATRON

Her Majesty The Queen

PRESIDENT

HRH Prince Michael of Kent

VICE PRESIDENTS

Lady Carleton-Smith (ret. June 2022)

Lady Carter (ret. April 2022)

The Lady Dannatt

The Baroness Fookes

Lieutenant Colonel Colin Hogg

The Lady Houghton

Surgeon Captain Alan McEwan (ret. 2021)

The Lady Walker

The Rt Hon Lord Westbury (ret. 2021)

NATIONAL CHAIR

Lieutenant General Sir Gary Coward

NATIONAL VICE CHAIR

Wing Commander Kirsty Bushell

DEPUTY NATIONAL CHAIR

Colonel Stephen Oxlade

HONORARY TREASURER

Mr David Rowe

COUNCIL MEMBERS

Mr Nick Baughan (joined July 2021)

Mr James Carleton

Warrant Officer Class 1 Glenn Haughton (ret. May 2021)

Mr David McCorkell (ret. December 2021)

Lieutenant Colonel Graham Meacher (ret. December 2021)

Ms Alex Milner (joined January 2022)

Mr Robert Murphy

Air Vice-Marshal Charles Ness

Mrs Kate Pennell (joined July 2021)

Mrs Evelyn Strouts

Dr Diana Wood

Alexandra, Lady Walmsley (joined January 2022)

CONTROLLER

Lieutenant General Sir Andrew Gregory

SECRETARY AND FINANCE DIRECTOR

Mr Simon Blum

SSAFA's Council meets on a quarterly basis and ensures the charity is carrying out its purposes for the benefit of our beneficiaries, is accountable, and complies with our governing documents and the law, as well as ensuring our resources are managed responsibly.

There are also several standing Council agenda items which include;

Safeguarding, Fundraising & Marketing Communications, Equality Diversity & Inclusion, as well as Data Protection and Information Management - which is managed by an independent Data Protection Officer.

SSAFA COMMITTEES

SSAFA has a number of committees overseeing different work streams. Each is chaired by a Trustee with the intention of providing advice and support for our Council in governance in order to achieve the objectives of the charity.

The following committees meet on a quarterly basis:

- Risk Committee, responsible for ensuring that SSAFA and its subsidiaries conduct their business to the highest standard of probity, reporting to Council thereon.
- Finance Committee, responsible for ensuring that SSAFA's financial position is sustainable and advising Council accordingly.
- Fundraising & Marketing Committee, responsible for advising Council on fundraising, marketing and communication matters, encompassing internal and external communications channels/platforms used, focusing on their impact and effectiveness.
- Regional Chairs Committee, a consultative non-executive body with responsibility for effective two-way communication and facilitation between Council, committees, volunteers and employees, reporting to Council.
- Governance Committee, responsible for making decisions about governance, human resources, remuneration, honours and awards, reporting to Council.
- Safeguarding Board, responsible for ensuring beneficiaries, volunteers and employees are kept safe and supported with policies, training and guidance when dealing with any safeguarding concerns and complex casework.

Under the authority of Council, SSAFA operates three subsidiary companies and one incorporated charity:

- SSAFA Family Health Services,
- SSAFA Forces Help Enterprises Limited,
- SSAFA CMS Limited,
- The Military Wives Choirs Foundation.

For further information and governance details, please refer to pages 15-16.

TRUSTEES' REPORT

We, the Trustees, are pleased to present the annual Trustees' Report and the consolidated financial statements of the Charity. These financial statements comply with SSAFA's governing document, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Act (Gibraltar) 1962-12, the Charities Act 2009 (Republic of Ireland) and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OUR CHARITABLE OBJECT AND ACTIVITIES FOR THE PUBLIC BENEFIT

SSAFA is a public benefit entity. The Trustees have given due consideration to the Charity Commission published guidance on the operation of the Public Benefit requirement, and confirm that the objects of SSAFA, as established and incorporated, are to relieve the need, suffering and distress of all those who are serving or have served in the Armed Forces of the Crown, and their families and dependants. There are only two criteria for assistance: eligibility and need.

Crucial to the successful delivery of all our charitable activities is a network of more than 3,400 volunteers across the globe. It is impossible to quantify the value of their contribution in monetary terms, and therefore no amounts are recorded in the financial statements.

DURING 2021, SSAFA'S SERVICES FOCUSED ON:

Welfare advice and support — our network of branches in local communities and service committees on military bases offer practical, financial and emotional support. We help serving personnel, both regulars and reserves, veterans and their families, with everything from financial hardship to family breakdown.

Tailored support services — we mentor service leavers and their families as they transition from the military to civilian life, support veterans and their families in the criminal justice system, provide a support service to the UK Gurkha veteran community and, with Glasgow City Council, provide welfare and wellbeing support to members of the Armed Forces family in Glasgow. We also help veterans struggling with disability, sourcing practical items such as mobility aids or replacing household goods. Our free confidential helpline, Forcesline, provides a wide range of financial, practical,

and emotional support to the Armed Forces community. We offer long-term accommodation for older and disabled veterans and we have short-term housing available for families of injured service personnel, as well as for women and children affected by domestic violence from families serving in the Armed Forces.

We run a series of support groups; ranging from families affected by injury or bereavement to those affected by the suicide of a loved one as well as a support forum, the Forces Additional Needs and Disability Forum (FANDF) for those in the military who have a family member with an additional need or disability. We also provide short break holidays for those Forces families with additional needs and disabilities. In addition, we operate the UK's only adoption agency specifically designed for Armed Forces serving personnel, which is Ofsted-rated as 'Outstanding'. This tailor-made service for military families, provides support throughout the adoption process, including family finding, link-making and post-adoption support.

Health and social care services — we provide community health care in nine countries and overseas territories around the world - Cyprus, Brunei, Gibraltar, Canada, Germany (centred on Sennelager), Belgium, the Netherlands, Italy and Kenya, with Norway, Turkey, France, Portugal, Holland and Spain receiving remote support. Depending on the requirements, these services range from Ministry of Defence (MOD) contracted community healthcare in Cyprus to grant-in-aid health visiting in Kenya and speech and language therapy in Brunei. We also provide personal support and social work services (PS&SWS) to the Royal Air Force (RAF) in the UK under contract to the MOD.

DELIVERING AGAINST OUR 2021 AIMS AND OBJECTIVES

We are focused on continuing to ensure that the needs of the Armed Forces, veterans and their families are met in an appropriate and timely way. We exist to relieve need, suffering and distress amongst the Armed Forces, veterans and their families - to support their independence and dignity. Our five strategic aims deliver this through:

1. Understanding need: We will ensure that we understand and adapt to the needs of those we support.
2. Effective support: We will alleviate suffering and distress by providing appropriate, timely and effective support.
3. Awareness and understanding: We will strive to be recognised, known and understood.
4. Sustainable resource: We will ensure we have people with the right skills and sufficient time to deliver our services, underpinned by a sustainable income.
5. Collaborative working: We will work collaboratively within the organisation and with external partners.

We will continue to drive progress against these strategic objectives and meet client need against a dramatic backdrop of change until July 2022, when SSAFA will release its refreshed five-year strategic plan and aims. Our core services, which will always focus on the needs of our beneficiaries are met either through our volunteer casework, through our 'behind-the-wire' serving community volunteers meeting serving communities' needs, or through mentoring and working with individuals at all stages of the criminal justice system.

During the last 12 months, there has been a much better than expected fundraising environment despite the continued challenges of Covid-19 restrictions. 2021 proved to be more financially resilient than we had originally forecast and was a year in which most of our income streams outperformed their targets. Several of SSAFA's key fundraising events resumed in 2021 with more face-to-face events taking place. The pandemic continued to impact event fundraising with some postponements throughout the year. A significant element of the Charity's activities is the granting of funds to eligible individuals.

OUR ACHIEVEMENTS AND PERFORMANCE IN 2021

All our services in various ways continue to be impacted by Covid-19 and the associated restrictions. In some areas, such as our welfare cases that require financial support, numbers remain below pre-pandemic levels, but in the later months of 2021 and early 2022, we have already seen a significant increase in individuals seeking support. It is also clear that the complexity and emotional distress in each case continue to rise; so more resource is required to support our beneficiaries and the issues we encounter are taking longer to resolve.

- We supported 66,744 individuals with our charitable services in 2021. In addition, through our commercial contracts, we continue to support our serving Armed Forces and their families in the UK and overseas. SSAFA volunteers sourced almost £8 million during the year to assist our beneficiaries.
- Our branches completed a total of 16,538 cases and visits in 2021. This comprised 10,031 cases and 6,507 visits.
- Our 3,413 volunteers across our branch network, service committees and specialist volunteers (including mentors) donated invaluable hours of their time in 2021, despite continued restrictions associated with the Covid-19 pandemic.
- Our volunteer network raised £7.9 million for those who asked for our help, through applications to military benevolent funds and other welfare charities. Our service committees, which provide support to serving personnel and their families on military bases in the UK and overseas awarded more than £18,800 in grants, which supported subsistence food, clothes, travel, as well as bereavement expenses.
- We handled 27,554 enquiries to our free confidential helpline, Forcesline, in 2021. Towards the end of 2021 telephone contacts significantly increased, returning to pre-Covid levels, with a significant uplift in webchat contacts in contrast to physical phone calls. The team saw a dramatic increase in requests for assistance with loneliness and isolation, as well as housing, debt and food poverty.
- Our central Welfare Grants team received 867 requests for support last year. 459 people were supported with funds totalling £152,500. An occupational therapy (OT) referral service was introduced in July 2020, which provided 389 OT assessments during 2021.

- We supported 1,233 people through our mentoring programmes, 65% more than in 2020. The complexity of cases is increasing with many impacted by the lack of housing and difficulties in accessing mental health support. Partnerships have been developed with NHS Op Courage, NHS Transition, Intervention and Liaison Service (TILS), the DWP, as well as Entrain Space and the Veterans Charity.
- We helped 1,450 prisoners or family members of prisoners through our Veterans in the Criminal Justice System (VCJS) Support Service. Due to the Covid-19 pandemic, our volunteer caseworkers were not permitted to carry out much face-to-face casework, which has impacted our ability to reach those in prison, but we have continued to support those families outside. The main issues during 2021 have been veterans' mental health issues in prison and, on release, the lack of accommodation.
- 2,538 people were helped this year by our Gurkha services and the majority of those we support are elderly with 59% being in the 70–89-year-old age range. As they are particularly vulnerable to Covid-19, contact was made by phone or via virtual meetings with community leaders. Support was also provided to a group of serving Gurkha families that had been repatriated from Nepal due to the pandemic.
- Glasgow's Helping Heroes, our partnership with Glasgow City Council, supported 308 people in the city. Most issues we encountered focused on basics and essential needs, such as access to food and electricity top ups. Our beneficiaries' needs increased as restrictions eased in the summer, when the number and complexity of the requests rose, which included threats of eviction and problems looking for work.
- We placed 13 children, nine of which were school age children, with adoptive military families. We approved nine new households to adopt, of which one was a same gender couple and one a single applicant. In total, 566 households were supported by our Adoption services in 2021, with 127 receiving Post Adoption Support virtually. The team received a New Family Social Rising Star Agency Award in 2021 and with one of our team being nominated for New Family Social outstanding social worker award.
- Our Forces Additional Needs and Disability Forum (FANDF) continues to grow, and 2021 saw 183 new members register with us, growing the total membership to 445 families.
- Short breaks give those Forces families with additional needs and disabilities a fully funded activity holiday tailored to their specific requirements. Successful fundraising enabled the provision of two short breaks in 2021, but, with a very limited availability due to Covid restrictions, only 14 families (54 individuals) attending the Lake District break and eight families (33 individuals) attending the Exmoor break.
- We ran six online Support Group events for those struggling with bereavement, military families affected by suicide and families of wounded, injured, and sick personnel. 52 beneficiaries across the three SSAFA Support Groups attended the events through 2021. In October we partnered with the American charity TAPS (Tragedy Assistance Programme for Survivors) which offers comfort and care to anyone affected by the death of someone who served in the US Armed Forces. Members from our MFAS group joined 20 TAPS survivors at an event in the Tottenham Hotspurs Stadium. We are hoping to expand this partnership even further in 2022.
- 21,412 people have accessed our UK National Support Fund from across Germany, France and Cyprus. The project ran from February 2020 until September 2021 and supported UK citizens, including veterans, in Europe following Britain's departure from the EU. Working in partnership with the Foreign, Commonwealth & Development Office, local SSAFA trained caseworkers assisted UK veterans living overseas, with their residency applications. In total SSAFA supported 447 UK veterans with their residency applications of which 162 were in Cyprus, 143 in France, and 142 in Germany. SSAFA submitted 188 residency applications on behalf of UK veterans.
- Our Community Health team provided 3,500 consultations, 17% more than in 2020, across the services to serving personnel and their families in Cyprus. There were 572 new referrals across the Dietetics, SLT, CAMHS, Podiatry and CCN specialisations during 2021, an increase of 42% on 2020.
- We helped 826 people through our housing services:
 - 180 personnel and family members in Norton House, Stanford Hall;
 - 175 women and children at our Stepping Stone Home, Gildea House, supporting residents and those in the local community;

- 365 residents at Fisher House; of which 142 had stayed before for ongoing treatment at Queen Elizabeth Hospital Birmingham (QEHB);

- 72 residents in our independent living accommodation, the Royal Homes Wimbledon;

- 34 residents in our bungalows across the country; reduced to 28 by the end of the year.

Despite continued lockdowns and varying Covid-19 restrictions we remained accessible for the Defence Medical Rehabilitation Centre (DMRC) patients and families. As restrictions eased and DMRC allowed easier access for visitors, our bookings increased accordingly. At Fisher House, staff have remained vigilant and during the pandemic have adopted working practices to suit. An increase in follow-up treatments at the end of 2021 and the resumption of Tri-Service training expeditions is expected to result in a further increase in 2022.

For our Stepping Stone Home, Gildea House, enquiries continued to steadily increase throughout 2021, in particular for incidents of domestic abuse which is one of the well documented national impacts of the Covid-19 pandemic. Gildea House provides a secure, female-only place of safety for women and children of the Armed Forces community.

Our independent living accommodation at The Royal Homes remained fully functional and welcomed new residents during another year of pandemic restrictions. There was a further reduction in the number of bungalows and people housed directly by SSAFA, with five properties sold in Blackpool.

SOCIAL CARE OPERATIONS

The RAF Personal Support and Social Work Service (PS&SWS) is an MOD contracted welfare service run by a team of skilled and qualified staff from a range of disciplines, providing support to the RAF community on base. The contract has been extended until 31 March 2024 by the MOD. In 2021, 4,728 service users were supported, with 3,189 consultations, 1,189 referrals and 350 Long Term Sick (LTS) referrals. Consultation support focused on personal support, mental health and relationships. The main areas for referrals support were personal support, mental health and housing.

2021 was again a challenging year in terms of continued remote service delivery and ongoing periods of lockdown, requiring a blended approach to service delivery and flexible home working, subject to the needs of the individuals.

COMMUNITY HEALTHCARE OPERATIONS

We provided community healthcare to thousands of Armed Forces personnel and their families in nine countries around the world, with remote support also provided to those stationed in Norway, Turkey, France, Portugal, Holland and Spain.

In Cyprus, Community Healthcare is provided to the British Forces Community under the current MOD contract. We deliver this across three geographical locations and provide Child & Adolescent Mental Health Services (CAMHS), Health Visiting, Midwifery, Community Children's Nursing (CCN), Dietetics, School Nursing, Speech and Language Therapy (SLT), Podiatry and Orthoptics services. Our midwives and health visitors supported the mothers of 109 babies born on the island in 2021, while health visitors supported children 0-5 years delivering the Healthy Child and UK Immunisation Programme.

SSAFA was also awarded a 15 month contract to deliver Health Visiting services for SHAPE, Sennelager, the Central European Practice and Naples. The contract started in July 2021, with a potential population of 230 0-5 year-olds and 750 5-19 year-olds able to benefit from support.

Further healthcare operations are provided through Grant-in-Aid procurement, to our Armed Forces personnel posted around the world. This includes providing Health Visiting and Midwifery in Brunei and Health Visiting in Gibraltar, Canada and Kenya. Speech & Language Therapy was provided to SHAPE (Belgium), Naples (Italy) and AFNORTH (The Netherlands) as well as Sennelager (Germany).

As well as providing essential and highly valued support to the Armed Forces around the world, these commercial contracts are an important source of income for the Charity and the surplus revenue generated makes an important contribution to SSAFA's annual financial performance.

Safeguarding is of vital importance to all in SSAFA, and our Safeguarding Board developed a Safeguarding Action Plan which focused on ensuring beneficiaries, volunteers and employees were kept safe and supported. Training has been developed, a single point of contact (SPOC), helpline and the revision of our policies and procedures have all provided comprehensive advice and guidance to our teams of volunteers and employees, so that we can address any

safeguarding concerns and complex casework. Our SPOC dealt with nearly 100 calls concerning safeguarding over the last 12 months.

LEARNING AND DEVELOPMENT

All our volunteers and employees are provided with learning and development relevant to their roles within the organisation, to assist them in delivering the best support and service to our beneficiaries. In 2021 we continued to support employees during the pandemic with an emphasis on wellbeing to ensure our workforce was well looked after.

We have actively supported the LGBT+ Armed Forces charity, Fighting with Pride, and marked the 20th anniversary of the lifting of the military 'gay ban' with a series of LGBT+ personnel from the Armed Forces talking about their experiences. 2021 also saw the creation of SSAFA's diversity and inclusion (D&I) group and several equality, diversity and inclusion (EDI) initiatives were implemented including EDI, Health and Wellbeing policies, the introduction of flexible working contracts, conscious inclusion training, and mental health related engagements such as Mindful Wednesdays and increased signposting to mental health and stress support.

MEASURING AND EVALUATING THE IMPACT OF OUR WORK

In line with the Charity's strategic plan demonstrating the impact of SSAFA's services provided to our beneficiaries is key in allowing us to better understand the needs of the Armed Forces community and their families.

SSAFA's approach to the measurement of these outcomes begins with developing a theory of change for each support service, which allows us to identify those outcomes we wish to explore. This forms the basis for an evaluation plan where we develop or use existing validated tools to demonstrate how we have helped our beneficiaries. We do this using a range of methods including outcome measures, feedback surveys, qualitative and economic studies, as our approach depends on the individual service's need. SSAFA employs a continuous improvement approach when measuring impact. This allows us to not only measure success, but also learn how we can improve so that we continually develop our services to meet our beneficiaries' needs.

Where appropriate, SSAFA appoints external evaluators to measure the outcomes and impact of our services, with methods including surveys, interviews and focus

groups. For example, researchers from the University of Stirling and Glasgow Caledonian University conducted an evaluation of our Glasgow's Helping Heroes, funded by Forces in Mind Trust (FiMT) in 2021. The evaluation period has been completed, with the report due to be published in 2022. Exploring the impact of our services is a high priority for SSAFA and we are continuing to identify ways in which we can measure and demonstrate how we make a difference.

OUR COMMITMENT TO ENVIRONMENTAL SUSTAINABILITY

Since 2014, SSAFA has complied with the legal requirement to take part in the Energy Savings Opportunity Scheme (ESOS). Some of the savings identified in the ESOS reports prepared by a qualified ESOS auditor have been completed, resulting in estimated savings of £1,077 per annum.

Additional environmentally friendly savings outside of ESOS include transitioning to the use of green energy, improving insulation and boiler efficiency, and increasing the maximum allowance provided for lease cars to encourage entitled staff to select hybrid or fully electric vehicles. The continuation of home working has reduced the carbon footprint of SSAFA employees, as has the use of online training and virtual meetings.

OUR FOCUS ON COLLABORATIVE WORKING

At the heart of SSAFA are our beneficiaries – those that need our support. It is vital that we continue to develop our services to meet the current and future needs of the Armed Forces community. We need to adapt and evolve what we offer, as their needs change. We will continue to monitor and analyse these changing needs in the Forces family, refining what we deliver, so that it continues to service these unmet needs.

As part of this, we work closely with key partners across the sector, to ensure we are able to meet the breadth of needs our beneficiaries present. Indeed, our partnerships with grant makers, funders, Government, and beyond are vital to SSAFA's ability to support beneficiaries – we all play a role in delivering that support. At the same time, we are working with and supporting the Confederation of Service Charities (Cobseo) to develop greater coherence and coordination of support with other military charities. We want to make certain that all beneficiaries get the best possible help in a timely, consistent manner so that our support services complement each other, rather than duplicate, those offered by other organisations.

MILITARY WIVES CHOIRS

The Military Wives Choirs Foundation (MWCF) is a registered subsidiary charity of SSAFA. There are 1,704 women with a military connection in our 72 choirs in the UK and on British military bases abroad. Our choirs are open to women from across the military community from 18 years of age upwards, including wives, partners, serving personnel, veterans and mothers.

Throughout the summer of 2021, the choirs returned to performing, learning new skills as they adapted to producing Covid-secure outdoor concerts. In September, the professional mezzo soprano, Laura Wright, became our first female ambassador. Next year our choirs are looking forward to celebrating our 10th anniversary with a series of concerts.

RAISING OUR PROFILE

SSAFA wants to be the 'expert' voice for the issues faced by the military community and seen as a trusted, passionate, professional support network and service provider. We will aim to grow and improve our brand presence to assist beneficiaries seeking help, target volunteers and employees who want to work for the Charity and grow one-off donors into life-long supporters of SSAFA.

We need our multiple audiences and stakeholders to know who we are, what we do and how we can help. In 2021, in total we reached more than 417 million people across a variety of media communications platforms, both on and off-line. This included 2,389 pieces of coverage across the national and regional newspapers, broadcast outlets, as well as in consumer and military press. This is a reduction on our 2020 performance due to no major anniversaries taking place in 2021 but is an increase on 2019 figures.

Despite the challenges of the pandemic a circulation of more than 60 million in October and November demonstrates consistency, particularly in the second half of the year.

FUNDRAISING FOR OUR WORK

In 2021, we raised £12.5 million from donations, grants, legacies, events and trading activities, of which £1.1 million was raised by volunteers in their local communities. 2021 was a better-than-expected fundraising environment with most income areas outperforming their targets. The fundraising directorate was restructured in 2021 and a new pilot was introduced in the North West England region to test the proposition of creating a team of fundraisers to focus on generating income within the regions being created through the SSAFA@140 project.

The pandemic continued to impact event fundraising with several postponements throughout the year. 2021 saw the resumption of a number of SSAFA's key fundraising events including Battle Proms, London Marathon, our annual Defence Industry Charitable Dinner (DICD) and the Defence & Security Equipment International (DSEI) exhibition.

Our Fundraisers used a variety of 'real-life' and virtual methods of fundraising enabling the department to report an overall events income of more than £1.7 million and achieving 154% of the budgeted income target. Legacy income of nearly £4.5 million represents well over 42% of all voluntary income to the charity, totalling £10.6 million in 2021. The individual supporter giving income of more than £1.2 million was bolstered by new acquisition activity in this area, that brought an additional 3,300 supporters to SSAFA during the year.

We built on our strong relationships with existing institutional funders and developed relationships with new funders, despite the ongoing pandemic-related challenges. We continued key strategic partnerships with a number of organisations, including the Department for Digital, Culture, Media and Sport, the Armed Forces Covenant Fund Trust and The National Lottery Community Fund. We also remain extremely grateful for the steadfast support provided by the services' benevolent funds; ABF The Soldiers' Charity, the Army Central Fund, the Royal Navy and Royal Marines Charity and the RAF Benevolent Fund.

We have been humbled by the extraordinary generosity of all our supporters throughout this challenging year. We extend a sincere thank you to all our donors: individual, corporate, grant-givers and commercial partners, as well as other collaborating organisations, for their support during 2021.

Particular thanks go to:

ABF The Soldiers' Charity
Aramark UK
Armed Forces Covenant Fund Trust
Army Central Fund
BAE Systems
Battle Proms
Boeing UK
Church of Scotland
Clarion Events
Department for Digital, Culture, Media and Sport
Forces in Mind Trust (FiMT)
Foreign, Commonwealth & Development Office
Fujitsu
Glasgow City Council
Greenwich Hospital
Hatton's of London
Landmarc
LIBOR Fund
The MacRobert Trust
Northrop Grumman
QinetiQ
Royal Air Force Benevolent Fund
Royal Navy and Royal Marines Charity
SJH Group Limited
Sodexo
The Barbara Naylor Charitable Trust
The Michael Uren Foundation
The National Lottery Community Fund
The Syncona Foundation

LOOKING TO THE FUTURE

The many impacts of Covid-19 will be with us for a long time, so close attention to ensuring financial sustainability is a priority for the Trustees and Senior Management team who will continue to closely monitor the impact of the crisis on our income, expenditure, fundraising and communications.

We need to ensure that we continue to support our volunteers and employees, deliver outstanding services - both face-to-face and virtually - and strengthen our cross-sector collaboration. In 2022, we will be enhancing our support through the SSAFA@140 programme, which aims to future proof our vital work as we approach our 140th year of operation in 2025. The changes brought in under the SSAFA@140 programme include establishing regional hubs which will support our volunteer network and ease their administrative burden. It will ensure consistent, timely and quality assured service to all our beneficiaries wherever they are, whenever they need it, across our UK footprint and in locations worldwide.

We need to meet the current and future, financial and social welfare needs faced by our serving and veteran communities. Many of these have been exacerbated and heightened by the impact of Covid-19 on our economy, society, and welfare services.

We will continue to meet our contractual obligations to provide high-quality health and social care to the Armed Forces in the UK and overseas. We will respond to the reduction in contracted services income whilst maintaining our existing excellent standards of service, be creative in searching for solutions to fundraising activity and continue to be cost conscious.

Investment in fundraising and supporter engagement is vital to SSAFA's future. In 2021, we launched our new fundraising strategy for 2022-2024, to focus on new supporter acquisition and engagement whilst ensuring our regional fundraising presence was strengthened.

We want to ensure we continue to raise awareness of our charity and our profile to drive external communications and generate the income needed in very challenging circumstances. We will still focus on our three communications objectives; raising awareness of the SSAFA brand and the different types of support we offer across the whole of the Armed Forces family, driving our fundraising and building our volunteer network through active recruitment.

FINANCIAL REVIEW

As required, the accounts have been prepared under Charity SORP (FRS 102). To meet the requirements of the Office of the Scottish Charity Regulator, a Statement of Activities (with supporting notes) has also been prepared for the Charity (as shown on page 23).

FINANCIAL OUTCOME

The Consolidated Statement of Financial Activities for the year show that there was an overall surplus in the year before actuarial gains and exceptional items of £3.5 million (2020: £2.8 million). This comprises a surplus on unrestricted funds of £3.8 million for the year (2020: £2.2 million) and a restricted fund deficit of £0.2 million (2020: £0.6 million surplus).

Donations and legacies received in the year were £6.1 million (2020: £6.7 million) and £4.5 million (2020: £3.2 million) respectively. The costs of raising voluntary income were £789 thousand (2020: £756 thousand).

The branches continue, through their volunteer network, to raise significant funds of £7.9 million (2020: £10.4 million) from service and other charities to assist a wide variety of Forces-related individuals in need. At 31 December 2021 £1.5 million (2020: £1.6 million) was being held as unalmonised grants for imminent distribution to the individuals for whom the funds were raised.

Health and welfare activities contributed £1.0 million (2020: £1.7 million) to the Group. This includes the activities of SSAFA Family Health Services, which is responsible under contract to the MOD for the delivery of health services. The group continues to provide the RAF Personal Support and Social Work Services in the UK. Whilst income and expenditure decreased significantly, the margin reflects improved cost-management initiatives.

The pension fund balance was measured as an asset of £21.6 million at the year end. The Trustees do not consider the Charity has a right to any future economic benefits from the scheme despite the asset position and therefore no asset or liability is recorded at the balance sheet date. Changes in the valuation reflect a £10 million contribution from the MOD and an increase in discount rate from 1.3% to 1.9%.

INVESTMENT POLICY

SSAFA's investment policy is to produce the best financial return within an acceptable level of risk. The investment objective is to generate a return in excess of inflation over the long term whilst generating an income to support the ongoing activities of SSAFA branches. SSAFA has a broad range of income sources that would allow it to continue with its activities were markets to fall. The key long-term risk is inflation, and the investment assets are invested to mitigate this risk. The Trustees understand that this is likely to mean that investment will be concentrated in real assets (equities and property) and that therefore the capital value will fluctuate. As a result they are prepared to take more than a moderate amount of risk. SSAFA's investment assets can be invested widely and be diversified by asset class and by security. Asset classes can include cash, bonds, equities, property, hedge funds, structured products, private equity, commodities and any other asset that is deemed suitable as defined by the Charity Commission in CC 14. The Investment Policy has no ethical restrictions.

The majority of SSAFA's funds are invested in the Armed Forces Charity Authorised Investment Fund, a fund specifically designed for service and ex-service charities. The objective of the fund is to achieve long-term growth of both capital and income.

Performance of the fund is measured against a benchmark constructed to represent a balanced portfolio of investments comprising UK and global equities, property and UK and overseas bonds. In 2021, the fund recorded a total return of 13%, which was above the benchmark. Dividends for the year were maintained at 8.0p per unit.

RESERVES POLICY

Taking into account the long-term strategic plan that the Trustees agreed in 2018 and the analysis carried out since on the financial demands of providing a modern service that meets the needs of all stakeholders, the Trustees have agreed that the Charity needs to sustain its current level of reserves in real terms. This is made all the more necessary given the pressures on income from the unavoidable decline in health and social care contracts. The Charity's reserves underwrite the day-to-day operation of the branch network as well as the many other capabilities SSAFA provides to its beneficiaries. The reserves are held in a combination of investment properties, listed investments and cash. The Trustees currently forecast that reserves will be used to cover annual deficits for the next five years if other sources of income do not increase to meet the rising costs of serving our beneficiaries' needs. The Reserves Policy of sustaining current levels in real terms means, after completing the new strategy, that the Charity's reserves should be able to fund annual core running costs in a crisis, as they will do in 2022. To do otherwise would put at risk the existence of the Charity. The Trustees have learnt from other charities that have not had a sustainable business model and not had sufficient reserves to maintain, over the long term, the vital service they deliver to their clients, many of whom have long-term needs, when income falls.

- At 31 December 2021, the Charity held total funds of £63.1 million (2020 - £41.9 million).
- At 31 December 2021 the Charity held restricted funds not available for general purposes of £7.2 million (2020 - £7.5 million). This includes fixed assets of £304,000 (2020- £308,000).
- At 31 December 2021 the Charity held designated funds of £1.6 million (2020 - £ 1.6 million) for use as and when qualifying need arises.
- At 31 December 2021, the level of unrestricted reserves which were not represented by fixed assets was 2.6 years of running costs (2020: 1.3 years).
- At 31 December 2021, the unrestricted general reserves (which include designated funds) that were not represented by fixed assets amounted to £47.0 million (2020: £25.1 million, after deducting the pension deficit of £17.1 million).

GRANT MAKING

Assistance from the unrestricted funds may be used only to relieve the need, suffering and distress of those eligible for our help, as described in the Objects of SSAFA. The Regulations of SSAFA do not permit our funds to be used for gifts, grants or subscriptions to charities, hospitals, schools or other funds, societies or institutions.

FUNDRAISING POLICIES

SSAFA carries out its core fundraising activities through a dedicated team of paid professional fundraisers managed from its London office, and through registered volunteers who engage in small-scale fundraising activities to help support branch-level activities.

SSAFA's central fundraising team generates income through a mix of grant, donation, contract, sponsorship and commercial activities. It also oversees branch-level fundraising activities and provides support, training and guidance to its volunteer fundraisers to ensure that the Fundraising Code is followed and that best practice and legal fundraising standards are applied consistently across the organisation.

As part of its activities to recruit individual supporters through payroll giving schemes, SSAFA engages three specialist Professional Fundraising Organisations (PFOs) to represent the charity. All such agreements are subject to legal contract, including how data is collected, stored, processed and shared.

SSAFA's merchandise and trading activities are managed through SSAFA Forces Help Enterprises Limited. Sponsorship and/or cause-affiliated marketing partnerships are managed through commercial participation agreements.

DATA PROCESSING POLICY

Since implementation of General Data Protection Regulations in May 2018, SSAFA has updated its data processing policies to ensure that it is fully compliant in the processing and sharing of personal data. Data sharing agreements are now in place with third-party partner organisations who support SSAFA's fundraising activities. SSAFA's policies relating to GDPR are reflected in the Data Privacy Notice that is included in all direct communications with supporters and beneficiaries, as well as the Privacy Policy which is displayed on SSAFA's website (www.ssafa.org.uk/)

privacy). In addition to having signed up for the Fundraising Preference Service, SSAFA also maintains its own suppression list. All volunteers and employees are mandated to complete training on GDPR. SSAFA (The Soldiers', Sailors', Airmen's and Families' Association - Forces Help) is fully registered with the Fundraising regulator, and no complaints were made during the year.

STRUCTURE, GOVERNANCE AND MANAGEMENT GOVERNING DOCUMENT

SSAFA The Soldiers', Sailors', Airmen's and Families' Association - Forces Help was established in 1885 under Royal Charter. SSAFA's Charter and Rules and Regulations were extensively revised in 2013 and approved by Council in January 2014. The Charter allows the Trustees to establish Regulations for the day-to-day management of the Charity. SSAFA is registered as a charity in England and Wales (Number 210760) in Scotland (Number SCO38056), in the Republic of Ireland (Number 20002021) and in Gibraltar (Number 149).

TRUSTEE INDUCTION AND TRAINING

Regulations require that each Trustee attends an introductory briefing. Each Trustee must attend formal annual training including GDPR, Safeguarding and Diversity & Inclusion.

MANAGEMENT PAY

The Governance Committee is responsible for reviewing and deciding any salary increases applicable to all employees including all levels of management. The Charity does not operate a performance related salary or bonus scheme. Any proposed changes to management pay will consider the remuneration of comparable internal roles and external roles in similarly sized charities.

SSAFA's median gender pay gap of 2.31% continues to be considerably lower than the national median gender pay gap of 15.4% (2021 ONA ASHE). The slight increase in the gender pay gap from 1.73% in 2020 which may be due to the recruitment freeze during the pandemic, resulting in more employees leaving than joining SSAFA and the average salary of new joiners being lower.

SUBSIDIARY CHARITIES

The Charity has three subsidiary Charities: The Royal Homes, regulated under a Charity Commission Scheme in 1998; the Aircrew Association Charitable Fund, regulated under a Charity Commission Scheme in 2012 and The Military Wives Choirs Foundation, which was established on 30 May 2012 as a private charitable company limited by guarantee, Company Number 08089745, Registered Charity Number 1148302 and in Scotland, Charity Number SC045217. The Royal Homes and the Aircrew Association Charitable Fund are administered as part of SSAFA as a result of these schemes, and their results are included within the results of the Charity. The Military Wives Choirs Foundation is a subsidiary of SSAFA and prepares its own annual financial statements which are not included in SSAFA's charity accounts but are consolidated within the Group financial statements together with the results of the Charity's three commercial subsidiaries.

SSAFA OPERATIONAL ENTITIES

Under the authority of Council, SSAFA operates three subsidiary companies and one Limited Liability Partnership. Each company is run for the benefit of the Charity by paid employees who fill the key posts of Managing Director, Finance Director and Company Secretary, and includes Trustees as additional external members of the Board. Each Company and the Limited Liability Partnership report as required to Companies House.

Details of the Companies and the Limited Liability Partnership are given below:

- SSAFA Family Health Services, a company limited by guarantee not having a share capital, Registered Number 3137764, was established to provide community health, social work and other services for the Armed Forces worldwide.
- SSAFA Forces Help Enterprises Limited, a company limited by shares, Registered Number 2493614, was established as a trading company to sell Christmas cards and other merchandise, and enter into other non-charitable commercial arrangements.
- SSAFA CMS Limited, a company limited by shares, Registered Number 11148036, was established to develop and maintain "CMS" a software tool for use by the majority of military charities for managing casework within the military charity sector.

- SSAFA GSTT Care LLP, an LLP, Registered Number OC333462, is equally owned by SSAFA Family Health Services and Guy's and St Thomas' NHS Foundation Trust. The LLP was formed to provide health services to the MOD via a contract which expired in September 2020. In April 2021 the LLP was put into members' voluntary liquidation.

OTHER CHARITABLE JURISDICTIONS

In order to operate in Scotland, SSAFA has been registered with the Office of the Scottish Charity Regulator Register of Charities under number SC038056. In order to operate in Gibraltar, SSAFA has been registered with the Charity Commissioners for Gibraltar Register of Charities under number 149. In order to operate in the Republic of Ireland, SSAFA has been registered with the Charities Regulator under number 20002021.

RISK MANAGEMENT

The Controller's Management Board meets monthly and reviews the Risk Register to ensure compliance. The Risk Committee reviews the Risk Management Policy and Register at each meeting. Areas of significant risk are reported to Council at each meeting. Council then seeks assurance from the Controller that all mitigating action is being or has been taken. In addition, Council formally approved the appointment of Mazars LLP as internal auditors and agreed a risk-focused internal audit plan with them, covering a variety of areas (including finance) across the organisation. The reviews have identified that financial sustainability is the main financial risk for both the Charity and its subsidiaries.

PRINCIPAL RISKS AND UNCERTAINTIES ARE MANAGED BY:

- having detailed financial planning and processes in place to ensure oversight and ongoing monitoring of the financial position;
- detailed contract planning. A principal financial risk facing the Charity's subsidiary, SSAFA Family Health Services, is related to the expiry of the contract with the MOD to provide healthcare to HM Forces in Germany following the drawdown of personnel back to the UK. The Company's Board is monitoring the situation and continuing to look for new opportunities;
- securing a loan facility through the Coronavirus Business Interruption Loan Scheme and taking advantage of the Coronavirus Job Retention Scheme to mitigate against some of the effects of the restrictions in place during the Covid-19 pandemic. Whilst fundraising income has been impacted, a significant element of the group's income derives from contracts to the MOD which are unaffected.
- ensuring that branches' and committees' volunteers have appropriate financial and other training and support available to them to aid them with the raising, recording, monitoring and the distributing of funds in delivering assistance to SSAFA's many beneficiaries.

The Group has some transaction and currency exchange rate risk given its international spread of activities. The objective of the Group in managing its liquidity risk is to ensure that it can meet its liabilities when they fall due. The Group expects to meet its financial obligations through operating cash flows. In the event that operating cash flows would not cover all the Group's financial obligations, Council is comfortable that suitable credit facilities are available.

The Group may offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. Certain Group entities are subject to a risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by strong on-going customer relationships.

Council is content that measures are in hand to manage and minimise all significant risks.

AUDITOR

Trustees believe it is good practice to re-evaluate their professional advisers periodically but have also informed Moore Kingston Smith LLP that its proposals to be re-appointed will be welcomed.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees are responsible for preparing the annual Trustees' Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 and regulations made thereunder, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 1962-12 (Gibraltar) and the Charities Act 2009 (Republic of Ireland) require the Trustees to prepare financial statements for each financial year.

The Trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the Group, and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period.

In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's and Group's transactions, and disclose with reasonable accuracy at any time the financial position of the Charity and the Group and enable them to ensure that the financial statements comply with the Charities Act 2011 and regulations

made thereunder, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity (Accounts and Reports) Regulations 2008, the Charities Act (Gibraltar) 1962-12, the Charities Act 2009 (Republic of Ireland) and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and the Group and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Approved by Council on 21 June 2022

And signed on 21 June 2022 by

INDEPENDENT AUDITOR'S REPORT

To the Trustees of The Soldiers', Sailors', Airmen's and Families' Association – Forces Help (SSAFA)

OPINION

We have audited the financial statements of SSAFA, the Armed Forces charity (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Group Statement of Financial Activities, the Charity Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2021 and of the group's and parent charity's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

BASIS FOR OPINION

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

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

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' annual report.

We have nothing to report in respect of the following matters where the Charities Act 2011 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements;
- the parent charity has not kept sufficient and proper accounting records;
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or parent 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 sections 151 of the Charities Act 2011 (England and Wales), 50 of the Charities Act 2009 (Republic of Ireland) and 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for

our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charity to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the parent charity.

Our approach was as follows:

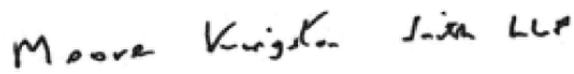
- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

USE OF OUR REPORT

This report is made solely to the Charity's Trustees, as a body, in accordance with Section 154 of the Charities Act 2011, Section 50(1) of the Charities Act 2009 (Republic of Ireland), and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Moore Kingston Smith LLP

Statutory Auditor
Date 22 June 2022
9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Total 2020 £'000
INCOME FROM:							
Donations and legacies	1	8,284	2,276	10,560	7,043	2,872	9,915
Charitable activities							
Contributions — Service/other charities	2	-	7,911	7,911	-	10,441	10,441
Health and welfare	2	5,908	504	6,412	8,799	575	9,374
Care and accommodation	2	417	479	896	452	500	952
Adoption services	2	409	-	409	328	-	328
Total charitable activities		6,734	8,894	15,628	9,579	11,516	21,095
Other trading activities							
Fundraising activities		1,701	21	1,722	960	26	986
Commercial activities		233	-	233	438	-	438
Total trading activities		1,934	21	1,955	1,398	26	1,424
Investments	3	1,511	115	1,626	1,556	82	1,638
Other income	4	473	-	473	407	-	407
Exceptional item	5	-	10,000	10,000	-	-	-
Total income		18,936	21,306	40,242	19,983	14,496	34,479
EXPENDITURE ON:							
Raising funds							
Fundraising activities	6	2,209	-	2,209	1,626	-	1,626
Raising voluntary income	6	789	-	789	756	-	756
Other trading activities	6	101	-	101	95	-	95
Total raising funds		3,099	-	3,099	2,477	-	2,477
Charitable activities							
Supporting clients	6	7,746	10,778	18,524	7,498	12,684	20,182
Health and welfare	6	4,978	457	5,435	7,125	524	7,649
Care and accommodation	6	1,410	620	2,030	1,412	535	1,947
Adoption services	6	569	-	569	382	250	632
Total cost of charitable activities		14,703	11,855	26,558	16,417	13,993	30,410
Other expenditure	6	85	-	85	-	-	-
Total expenditure		17,887	11,855	29,742	18,894	13,993	32,887
Net gains on investments	11	2,735	307	3,042	1,070	124	1,194
Net income before fund transfers		3,784	9,758	13,542	2,159	627	2,786
Transfer between funds	12	10,117	(10,117)	-	51	(51)	-
Other recognised gains and losses							
Actuarial gains/(losses) on defined benefit pension	24	7,626	-	7,626	(14,661)	-	(14,661)
Net movement in funds		21,527	(359)	21,168	(12,451)	576	(11,875)
RECONCILIATION OF FUNDS							
Total funds brought forward	18	34,355	7,528	41,883	46,806	6,952	53,758
Total funds carried forward	18	55,882	7,169	63,051	34,355	7,528	41,883

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Total 2020 £'000
INCOME FROM:							
Donations and legacies	1	9,362	2,054	11,416	8,876	2,605	11,481
Charitable activities							
Contributions — service/other charities	2	-	7,911	7,911	-	10,441	10,441
Health and welfare	2	-	504	504	-	575	575
Care and accommodation	2	417	479	896	452	500	952
Adoption services	2	409	-	409	328	-	328
Total charitable activities		826	8,894	9,720	780	11,516	12,296
Other trading activities — Fundraising		1,675	21	1,696	942	24	966
Investments	3	1,511	115	1,626	1,555	82	1,637
Other Income	4	4,984	-	4,984	6,027	-	6,027
Exceptional Item	5	-	10,000	10,000	-	-	-
Total income		18,358	21,084	39,442	18,180	14,227	32,407
EXPENDITURE ON:							
Raising funds							
Fundraising activities	6	2,220	-	2,220	1,623	-	1,623
Raising voluntary income	6	786	-	786	753	-	753
Total raising funds		3,006	-	3,006	2,376	-	2,376
Charitable activities							
Supporting clients	6	7,309	10,495	17,804	6,862	12,584	19,446
Health and welfare	6	1,224	457	1,681	1,369	524	1,893
Care and accommodation	6	1,408	620	2,028	1,410	535	1,945
Adoption services	6	569	-	569	380	250	630
Total cost of charitable activities		10,510	11,572	22,082	10,021	13,893	23,914
Other expenditure	6	3,775	-	3,775	4,817	-	4,817
Total expenditure		17,291	11,572	28,863	17,214	13,893	31,107
Net gains on investments	11	2,735	307	3,042	1,070	124	1,194
Net income before fund transfers		3,802	9,819	13,621	2,036	458	2,494
Transfers between funds	12	10,117	(10,117)	-	51	(51)	-
Other recognised gains and losses							
Actuarial gains/(losses) on defined benefit pension	24	7,626	-	7,626	(14,661)	-	(14,661)
Net movement in funds		21,545	(298)	21,247	(12,574)	407	(12,167)
RECONCILIATION OF FUNDS							
Total funds brought forward	18	33,961	7,326	41,287	46,535	6,919	53,454
Total funds carried forward	18	55,506	7,028	62,534	33,961	7,326	41,287

The Charity Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

CONSOLIDATED GROUP AND CHARITY BALANCE SHEETS

FOR THE YEAR ENDED 31 DECEMBER 2021

As at 31 December	Notes	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
FIXED ASSETS					
Tangible assets	13	9,142	9,530	9,141	9,529
Investments	14	42,921	38,353	42,931	38,363
Investment in joint venture	14	-	3	-	-
Total fixed assets		52,063	47,886	52,072	47,892
CURRENT ASSETS					
Debtors	15	5,625	4,027	5,925	4,049
Stock		29	42	-	-
Cash at bank and in hand		14,205	10,863	12,932	9,966
		19,859	14,932	18,857	14,015
Creditors: Amounts falling due within one year	16	(8,454)	(3,849)	(7,978)	(3,534)
Net current assets		11,405	11,083	10,879	10,481
Creditors: Amounts falling due after more than one year	17	(417)	-	(417)	-
Net assets excluding pension liability		63,051	58,969	62,534	58,373
Defined benefit pension scheme liability	24	-	(17,086)	-	(17,086)
NET ASSETS	18	63,051	41,883	62,534	41,287
FUNDS					
Unrestricted funds — general	18	54,280	49,813	53,904	49,419
Unrestricted funds — designated	18	1,602	1,628	1,602	1,628
Unrestricted funds — pension reserve	18	-	(17,086)	-	(17,086)
Total unrestricted funds	18	55,882	34,355	55,506	33,961
Restricted funds	18	7,169	7,528	7,028	7,326
TOTAL FUNDS	18	63,051	41,883	62,534	41,287

Approved by Council on 21 June 2022 and signed on 21 June 2022 by:

Lt General Sir Gary Coward KBE CB
Chair

Mr David Rowe
Honorary Treasurer

The accompanying accounting policies and notes on pages 26 to 49 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £'000	2020 £'000
Net cash used in operating activities	A	(2,271)	(849)
Cash flows from investing activities			
Dividends, interest and rents from investments	3	1,626	1,638
Proceeds on disposal of fixed assets		513	1,635
Purchase of investments	14	(1,643)	(3,505)
Proceeds from sale of investments	14	117	1,150
Net cash used in investing activities		613	918
Cash inflows from financing activities		5,000	-
Change in cash and cash equivalents in the year		3,342	69
Cash and cash equivalents at 1 January 2021		10,863	10,794
Cash and cash equivalents at 31 December 2021		14,205	10,863

Notes to the Consolidated Statement of Cash Flows

A. Reconciliation of net expenditure to net cash flow from operating activities

		2021 £'000	2020 £'000
Net income for the year		13,542	2,786
Adjustments for:			
Depreciation	13	191	192
Profit on disposal of fixed assets		(316)	(64)
Gains on investments	6,14	(3,039)	(1,194)
Dividends, interest and rents from investments	3	(1,626)	(1,638)
Decrease/(increase) in stock		13	(4)
Increase/(decrease) in creditors	16	22	(506)
Pension contributions	24	(10,158)	(567)
Change in pension liability	24	698	1,286
Increase in debtors	15	(1,598)	(1,140)
Net cash used in operating activities		(2,271)	(849)

Analysis of changes in net funds

	At 1 January 2021 £'000	Cash flows £'000	At 1 January 2021 £'000
B. Analysis of cash and cash equivalents and net debt			
Cash	10,863	3,342	14,205
Borrowings			
Debt due within one year	-	(4,583)	(4,583)
Debt due after more than one year	-	(417)	(417)
	-	(5,000)	(5,000)
	10,863	(1,658)	9,205

PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies are summarised below

BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) second edition issued October 2019 and the Financial Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) second edition issued October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared in the Group's functional currency, Sterling (£) and are stated in £'000s.

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

BASIS OF CONSOLIDATION

The financial statements consolidate those of the Charity, its subsidiary undertakings and its shares in joint ventures drawn up to 31 December each year. The results and balance sheets of the subsidiaries controlled by the Charity have been consolidated on a line by line basis. Control is achieved where the Charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Branch and committee accounts (including those overseas) have been included in the Charity's and consolidated financial statements on a receipts and payments basis but adjusted for any accruals or prepayments where material.

CHARITY STATEMENT OF CASH FLOWS

The Trustees have taken the exemption available under Para 1.11 of FRS 102 not to present a separate Charity Statement of Cash Flows.

GOING CONCERN

The financial statements have been prepared on the basis that the Charity is a going concern. The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The Charity had £55.9 million in unrestricted funds at 31 December 2021. The Trustees therefore consider that the Charity has adequate resources to sustain operations for the foreseeable future.

The Trustees have considered the impact of the Covid-19 crisis on the future of the Charity. Whilst fundraising income has been affected as a result, the Charity has taken steps to ensure it can continue to serve its beneficiaries including taking advantage of the Coronavirus Job Retention Scheme and securing a loan facility through the Coronavirus Business Interruption Loan Scheme. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

In 2020 the consolidated financial statements included the Group's share of the income and net assets of a joint venture operated through a limited liability partnership (LLP) which existed for the performance of a contract which expired in 2021. The LLP is now in members' voluntary liquidation and the assets and liabilities are excluded from the financial statements.

INCOME

All income whether restricted or unrestricted is recognised in the Consolidated Statement of Financial Activities when the Group has entitlement to the funds, the amount can be quantified reliably and it is probable that the income will be received.

Donations and other income generated from fundraising are recognised gross on a receivable basis. In the event that the donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and gifts in kind are recognised as income when the Charity has control over the item or service, any conditions associated have been met, the receipt of economic benefit from the use by the Charity is probable and when economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the time of the Charity's many volunteers is not recognised. However, refer to the annual Trustees' Report for details of their substantial contribution to the Charity.

Legacies are recognised once the receipt of the legacy becomes probable and quantifiable. Pecuniary legacies are usually recognised at the point that probate is granted. For residuary legacies, this will usually be at the earlier of cash receipt or when confirmation has been received from the representatives of the estates that payment will be made or property will be transferred and once all the conditions attaching to the legacies have been fulfilled. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material (see note 20).

Investment income is recognised when receivable.

Grants receivable from service funds and other charities for specific cases, which have not been almonised at the end of the year, are accrued and included as current liabilities. These amounts will be paid in the following year or returned to the relevant providers.

Income generated from providing health services to the NHS arises from a number of fixed-term contracts for which income is recognised as earned.

Fundraising income arises from a mixture of events and activities undertaken on a central and branch-wide basis and is recognised when receivable.

Health and welfare includes income generated from the provision of health and social care services to British

Forces personnel and their dependants around the world. In calculating revenue on contracts, the Group makes certain estimates in respect to the compliance with performance-related indicators which the contracts are subject to. A different assessment may result in a different value being determined for revenue.

Care and accommodation income is generated through the provision of these services to the Charity's beneficiaries at a number of residential homes and cottages held by the Charity, and income from residential fees and other services is recognised when the income has been earned.

Adoption income arises through the provision of an adoption agency service for placing children with military families and is recognised when placements have been secured.

Other income includes government grants of £55,000 received in respect of furloughed employees under the Coronavirus Job Retention Scheme and £82,000 in respect of the interest due on a Coronavirus Business Interruption Loan.

EXPENDITURE AND THE BASIS OF ALLOCATION OF COSTS

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

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings within the costs of raising funds and charitable activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity.

Costs of raising funds are those incurred in attracting voluntary income (including through the holding of events, appeals and other fundraising initiatives), and those incurred in generating income from trading activities.

COSTS OF CHARITABLE ACTIVITIES INCLUDE THE FOLLOWING:

Grant payments made to or on behalf of individuals in the furtherance of the Charity’s charitable object.

Grant-aided activities relate to costs associated with providing health and social care services to British Forces personnel and their dependants in far commands.

Health and welfare expenditure includes the direct costs of the welfare department at central office, with allocated communication and marketing costs, volunteer support costs (including training), branch and committee case work costs and branch office and staff costs in the provision of advice and assistance to those in need. This expenditure relates to the core services to British Forces personnel and their dependents around the world. Direct expenditure incurred in the Charity’s subsidiary, The Military Wives Choirs Foundation, is also included within this category of expenditure.

Care and accommodation expenditure primarily relates to the running costs of the Charity’s homes and other accommodation, and the care services provided to the Charity’s beneficiaries therein.

Adoption expenditure relates to staff and sessional staff costs together with departmental running costs and facilitation of the Adoption Panel.

Support costs include central functions, such as management, finance, human resources and information technology. Governance costs are those associated with running the Charity, including Council and Committee expenses, audit and other costs associated with constitutional and statutory

requirements. Support and governance costs are allocated across the categories of costs on the basis of staff numbers engaged in the activities therein as shown in note 7. The administrative charges for the provision of grant-aided activities and the provision of health and welfare services are calculated in accordance with the contractual agreements and directly charged to the relevant cost categories.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets (excluding investment properties) are stated at cost and depreciated in equal instalments from either the date of purchase or the date brought into use at the following rates:

Land	Nil
Freehold buildings	50 years
Long leasehold buildings	50 years
Furniture and fittings	5 years
IT equipment	3 years
Motor vehicles down to 10%	Over 3 years

Additions to furniture, fittings and IT equipment valued at less than £2,000 are fully written off as revenue expenditure in the year of purchase unless they form part of a larger-scale project.

INVESTMENT PROPERTIES

Investment properties for which fair value can be measured reliably on an ongoing basis are measured at fair value annually with any change being recognised in the Consolidated Statement of Financial Activities.

IMPAIRMENT OF ASSETS

At each year end, fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared to its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of Financial Activities.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Financial Activities.

INVESTMENTS

Listed investments are included at bid price (which is deemed to be market value) at the balance sheet date and the Consolidated Statement of Financial Activities shows net investment gains and losses arising from revaluation of the investment portfolio and disposals during the year. Realised gains and losses on investments are calculated as the difference between the sales proceeds and their market value at the start of the year or their subsequent cost and are charged or credited to the Statement of Financial Activities in the year of disposal. Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on market value at the year end.

Investments in subsidiaries are held at cost less impairment in the individual Charity financial statements.

Entities in which the Group holds an interest and which are jointly controlled by the Group and one or more other ventures under a contractual arrangement are treated as joint ventures. In the Group financial statements, joint ventures are accounted for using the equity method.

Joint ventures are recognised initially in the Consolidated Statement of Financial Activities at the transaction price, and subsequently adjusted to reflect the Group’s share of total comprehensive income and equity of the joint venture, less any impairment. Losses in excess of the carrying amount of an investment in a joint venture are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the joint venture.

FINANCIAL INSTRUMENTS

Both Group and Charity have only financial assets and financial liabilities of a kind that qualify as basic financial instruments.

DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

CREDITORS AND PROVISIONS

Short term trade creditors are measured at the transaction price, other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using an appropriate discount rate. The unwinding of the discount is recognised as a finance cost in the surplus or deficit in the period it arises.

FUNDS ACCOUNTING

Unrestricted funds

General funds are unrestricted funds that are available for use at the discretion of Council in furtherance of the objectives of the Charity.

Designated funds are unrestricted funds set aside at the discretion of Council for specific purposes. Details of designated funds held are given in note 15.

A pension reserve is shown separately within unrestricted funds to reflect the long-term, non-liquid nature of the pension liability.

Restricted funds

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose and the restriction means that the related funds can only be used for the specific activities. Details of restricted funds held are given in note 15.

Except for The Royal Homes fund, no interest on cash balances is allocated to restricted funds, and no overheads or support costs are allocated except where material costs are incurred by a specific fund. Interest earned on restricted funds and most overhead and support costs if reasonably allocated are considered to be of low value. For both unrestricted and restricted funds, both the income and any investment gain or loss have been allocated to the individual funds holding the investment.

Any Gift Aid recovered on donations is treated as part of the related gift in either unrestricted or restricted funds respectively, unless the donor or the terms of the appeal have specified otherwise.

OPERATING LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership of the leased assets to the Group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the Consolidated Statement of Activities on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Group recognises annual rent expense equal to amounts owed to the lessor.

FOREIGN CURRENCY

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purposes of the consolidated financial statements, the results and financial position are presented in Sterling (£).

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates to the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of the historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the Consolidated Statement of Financial Activities in the period in which they arise.

CONTRIBUTIONS TO PENSION SCHEMES

The Group operates a defined benefit pension scheme that requires contributions to be made to a separately administered fund.

Scheme assets are measured at fair values. Scheme liabilities are measured annually on an actuarial basis using the projected unit method, and are discounted at appropriate high-quality corporate bond rates of equivalent currency and term of the scheme liabilities. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the Group.

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised over the period in which the benefit changes vest.

Interest on the scheme liabilities and the expected return on scheme assets are included in net interest payable.

The discount rate for the liabilities and the expected return on the assets is the same and is based on yield curve of high-quality corporate bonds.

Actuarial gains and losses are reported as recognised gains and losses in the Consolidated Statement of Financial Activities.

The Group also operates defined contribution schemes which are multi-employer schemes for which the assets and liabilities cannot be identified separately for the Group members. Pension costs charged in the Consolidated Statement of Financial Activities represent the contributions payable by the Group in the year.

TAXATION

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable object.

Corporation tax is chargeable on the profits generated by the subsidiary companies. These liabilities are recorded in the subsidiary company financial statements and relief against liabilities claimed on distribution of the profits to the parent charity.

Irrecoverable value-added tax is allocated to the category of expenditure to which it relates.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described above, Council are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

NHS defined benefit pension scheme

The Group does not have sufficient information to account reliably for its share of the defined benefit obligation and plan assets and has therefore accounted for the scheme as a defined contribution scheme.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Accrued legacy income

The Group adopts a prudent approach to accounting for legacies to which it is entitled but which have not been realised as cash. For those legacies where there is uncertainty surrounding the measurement of the assets due to a lack of estate accounts no provision is made. Where estate accounts exist but include properties which are not . All estate values are estimated net of administration fees of 5% (2020 - 5%).

Defined benefit pension

The Charity estimates the pension liabilities to the members of the defined benefit local government scheme based on assessments set to market conditions at the year end. The estimates are sensitive to the discount rates and life expectancy assumptions. A discount rate change of 0.1% would result in a change in the valuation of the liability of £2 million and a 1 year change in the life expectancy would result in a change of £6 million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000
1. DONATIONS AND LEGACIES						
Group						
Donations	3,814	2,259	6,073	3,838	2,871	6,709
Legacies	4,470	17	4,487	3,205	1	3,206
	8,284	2,276	10,560	7,043	2,872	9,915
Charity						
Donations	4,892	2,037	6,929	5,671	2,604	8,275
Legacies	4,470	17	4,487	3,205	1	3,206
	9,362	2,054	11,416	8,876	2,605	11,481

The Charity received donations from its subsidiary companies of £1,586,000 in respect of 2021 results (2020: £2,473,000).

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000
2. INCOME FROM CHARITABLE ACTIVITIES						
Group						
Contributions from services and charities for individuals	-	7,911	7,911	-	10,441	10,441
Community health and social services — UK and overseas	-	504	504	-	575	575
Health and welfare contracts incl share of joint venture	5,908	-	5,908	8,799	-	8,799
Group health and welfare	5,908	504	6,412	8,799	575	9,374
Care and accommodation contributions						
Stepping Stone Homes	211	-	211	239	-	239
Residential homes and cottages	118	-	118	126	-	126
Royal Homes	-	479	479	-	500	500
Other	88	-	88	87	-	87
Group care and accommodation contributions	417	479	896	452	500	952
Adoption income	409	-	409	328	-	328
Total income from charitable activities	6,734	8,894	15,628	9,579	11,516	21,095
Charity						
Contributions from services and charities for individuals	-	7,911	7,911	-	10,441	10,441
Community health and social services — UK and overseas	-	504	504	-	575	575
Care and accommodation contributions						
Stepping Stone Homes	211	-	211	239	-	239
Residential homes and cottages	118	-	118	126	-	126
Royal Homes	-	479	479	-	500	500
Other	88	-	88	87	-	87
Charity care and accommodation contributions	417	479	896	452	500	952
Adoption income	409	-	409	328	-	328
Total income from charitable activities	826	8,894	9,720	780	11,516	12,296

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000
3. INCOME FROM INVESTMENTS						
Group						
Listed investments	1,036	115	1,151	886	82	968
Bank deposits and unquoted investments	6	-	6	1	-	1
Rental income	469	-	469	669	-	669
Total investment income	1,511	115	1,626	1,556	82	1,638
Charity						
Listed investments	1,036	115	1,151	886	82	968
Bank deposits and unquoted investments	6	-	6	-	-	-
Rental income	469	-	469	669	-	669
Total investment income	1,511	115	1,626	1,555	82	1,637

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000
4. OTHER INCOME						
Group						
Disposal of fixed assets	316	-	316	64	-	64
Coronavirus Job Retention Scheme	55	-	55	324	-	324
Grant for CBILS loan interest	82	-	82	-	-	-
Other income	20	-	20	19	-	19
Total other income	473	-	473	407	-	407
Charity						
Disposal of fixed assets	316	-	316	64	-	64
Management charges to subsidiary undertakings	838	-	838	837	-	837
Salary charges recharged to subsidiary	3,693	-	3,693	4,827	-	4,827
Coronavirus Job Retention Scheme	55	-	55	299	-	299
Grant for CBILS loan interest	82	-	82	-	-	-
Total other income	4,984	-	4,984	6,027	-	6,027

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000
5. EXCEPTIONAL INCOME						
Group and charity						
Contribution from MOD towards defined benefit pension scheme	-	10,000	10,000	-	-	-
Total exceptional income	-	10,000	10,000	-	-	-

Exceptional income is a contribution from the MOD towards the defined benefit pension scheme. See Note 24 for detail.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

6. EXPENDITURE	Activities undertaken directly £'000	Support costs (see note 7) £'000	Total 2021 £'000	Total 2020 £'000
Group				
Raising funds				
Fundraising activities	2,156	53	2,209	1,626
Raising voluntary income	80	709	789	756
Other trading activities	101	-	101	95
	2,337	762	3,099	2,477
Charitable activities				
Supporting clients	16,183	2,341	18,524	20,182
Provision of 'Grant Aided' activities	432	25	457	524
Health and welfare	4,161	817	4,978	7,125
Care and accommodation	1,634	396	2,030	1,947
Adoption services	410	159	569	632
	22,820	3,738	26,558	30,410
Other expenditure	85	-	85	-
Total resources expended	25,242	4,500	29,742	32,887

Fundraising includes the cost of 'attracting' all voluntary income into the Charity.

Charity	Activities undertaken directly £'000	Support costs (see note 7) £'000	Total 2021 £'000	Total 2020 £'000
Raising funds				
Fundraising activities	2,167	53	2,220	1,623
Raising voluntary income	80	706	786	753
	2,247	759	3,006	2,376
Charitable activities				
Supporting clients	15,476	2,328	17,804	19,446
Provision of 'Grant Aided' activities	432	25	457	524
Health and welfare	407	817	1,224	1,369
Care and accommodation	1,634	394	2,028	1,945
Adoption services	410	159	569	630
	18,359	3,723	22,082	23,914
Other expenditure - payroll costs for subsidiary companies	3,775	-	3,775	4,817
Total resources expended	24,381	4,482	28,863	31,107

Fundraising includes the cost of 'attracting' all voluntary income into the Charity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

6. EXPENDITURE cont.

SUPPORTING CLIENTS - WELFARE AND GRANTS PAYABLE	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000
Group						
Casework	7,308	10,087	17,395	6,734	12,354	19,088
Specialist services	251	408	659	434	230	664
Military Wives Choirs	187	283	470	330	100	430
	7,746	10,778	18,524	7,498	12,684	20,182

All grants were paid to or on the behalf of eligible individuals.

SUPPORTING CLIENTS - WELFARE AND GRANTS PAYABLE	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000
Charity						
Casework	7,058	10,087	17,145	6,428	12,354	18,782
Specialist services	251	408	659	434	230	664
	7,309	10,495	17,804	6,862	12,584	19,446

OTHER EXPENDITURE	2021	2021	2021	2020	2020	2020
Group	Unrestricted £'000	Restricted £'000	Total £ '000	Unrestricted £'000	Restricted £'000	Total £'000
Interest on CBILS loan	82	-	82	-	-	-
Loss on disposal of Joint Venture investment	3	-	3	-	-	-
	85	-	85	-	-	-

OTHER EXPENDITURE	2021	2021	2021	2020	2020	2020
Charity	Unrestricted £'000	Restricted £'000	Total £ '000	Unrestricted £'000	Restricted £'000	Total £'000
Payroll costs for subsidiaries	3,693	-	3,693	4,817	-	4,817
Interest on CBILS loan	82	-	82	-	-	-
	3,775	-	3,775	4,817	-	4,817

The administrative charges for the provision of 'grant-aided' activities and the provision of health and welfare services charge include support costs and are calculated in accordance with the contract agreements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

7. SUPPORT COSTS	Management £'000	Finance £'000	Human Resources £'000	Information Technology £'000	Facilities £'000	Governance £'000	Total 2021 £'000	Total 2020 £'000
Group								
Raising funds	49	125	145	200	200	43	762	741
Charitable activities								
Grants payable	151	385	444	614	613	134	2,341	2,204
Care and accommodation	25	65	75	104	104	23	396	417
Adoption	10	26	30	42	42	9	159	209
Total charitable activities	235	601	694	960	959	209	3,658	3,571
Health and welfare services							817	822
Grant-aided activities							25	30
Total support costs							4,500	4,423

	Management £'000	Finance £'000	Human Resources £'000	Information Technology £'000	Facilities £'000	Governance £'000	Total 2021 £'000	Total 2020 £'000
Charity								
Raising funds	49	122	145	200	200	43	759	738
Charitable activities								
Grants payable	151	372	444	614	613	134	2,328	2,192
Care and accommodation	25	63	75	104	104	23	394	415
Adoption services	10	26	30	42	42	9	159	207
	235	583	694	960	959	209	3,640	3,552
Health and welfare services							817	822
Grant-aided activities							25	30
Total support costs							4,482	4,404

	2021 £'000	2020 £'000
Governance costs include:		
Council, AGM & Committee expenses	2	5
Annual reports	6	6
Audit	68	65
Legal and professional	61	57
Apportionment of employee costs	72	54
	209	187

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

8. NET EXPENDITURE	2021 £'000	2020 £'000
This is stated after charging/(crediting):		
Fees payable to the Charity's auditor		
Audit of the Charity's accounts	39	34
Audit of subsidiaries and joint venture	29	31
Total audit fees	68	65
Non-audit fees: Taxation compliance services	5	14
Depreciation of tangible fixed assets	191	192
Expenditure on fixtures, fittings & equipment written off	234	165
Profit on disposal of fixed assets	(316)	(64)
Amounts paid under operating leases (see below)	59	28

The Group's future minimum operating lease payments are as follows:	2021 £'000	2020 £'000
Within one year	52	15
In two to five years inclusive	51	-

The Charity's future minimum operating lease payments are as follows:	2021 £'000	2020 £'000
Within one year	26	15
In two to five years inclusive	13	-

	Non MOD 2021 £'000	MOD 2021 £'000	Total 2021 £'000	Non MOD 2020 £'000	MOD 2020 £'000	Total 2020 £'000
9. EMPLOYEE AND STAFF COSTS						
Staff costs during the year were as follows:						
Wages and salaries	7,988	2,842	10,830	7,190	3,630	10,820
Social security costs	733	259	992	866	343	1,209
Other pension costs	485	210	695	411	797	1,208
Total staff costs	9,206	3,311	12,517	8,467	4,770	13,237
Agency locums and other contractors	650	162	812	186	516	702
Total labour costs	9,856	3,473	13,329	8,653	5,286	13,939

Redundancy costs of £40,000 (2020: £447,000) are included above. These are recognised when a constructive obligation arises.

In addition, a great amount of time is donated by thousands of volunteers throughout the world. Trustees and employees are extremely grateful for this support without which the Charity would be unable to provide such a comprehensive range of services to beneficiaries. Due to the costs involved in quantifying this the Trustees do not consider it possible to reflect this in the financial statements.

	Non MOD 2021 Number	MOD 2021 Number	Total 2021 Number	Non MOD 2020 Number	MOD 2020 Number	Total 2020 Number
The number of employees paid by the Charity whose emoluments, excluding employer's pension contributions, exceeded £60,000 in the year were as follows:						
£60,001 to £70,000	5	-	5	2	-	2
£70,001 to £80,000	6	1	7	6	1	7
£80,001 to £90,000	2	-	2	1	1	2
£90,001 to £100,000	1	-	1	-	1	1
£100,001 to £110,000	-	-	-	-	1	1
£110,001 to £120,000	-	-	-	-	-	-
£120,001 to £130,000	-	-	-	1	-	1
£130,001 to £140,000	1	-	1	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

9. EMPLOYEE AND STAFF COSTS Cont.

The key management personnel of the Charity comprise the Controller and the members of the Management Board. The cost of employing management personnel for the Charity was therefore £815,000 (2020: £722,000).

The average number of UK contracted staff throughout the year for the Group and the Charity, analysed by activity, was:

	Non-MOD 2021 Number	MOD Contracts* 2021 Number	Total 2021 Number	Non-MOD 2020 Number	MOD Contracts* 2020 Number	Total 2020 Number
Voluntary income	3	-	3	3	-	3
Raising funds	44	-	44	41	-	41
Grants payable	130	-	130	116	-	116
Care and accommodation	22	-	22	22	-	22
Adoption services	9	-	9	11	-	11
Health and welfare	-	101	101	-	122	122
Community health/social service staff - 'grant-aided' activities	-	10	10	-	11	11
Management and support	32	-	32	28	-	28
Total staff numbers	240	111	351	221	133	354

* Information for staff engaged in the provision of medical and social welfare services to the MOD has been provided to differentiate them from staff primarily engaged in the provision of services to beneficiaries.

10. TRUSTEE REMUNERATION

Trustees are not remunerated. They are reimbursed expenses or amounts are paid on their behalf for attending meetings and duties directly related to their duties as Trustees.

In 2021 total expenses of £4,000 (2020 £3,000) were paid for 5 Trustees (2020 - 6).

Trustee indemnity insurance is held as part of a wider policy covering staff and volunteers. The premium for Trustee insurance cannot be separately identified but is estimated at £2,500 (2020 - £2,500)

11. NET GAINS/(LOSSES) ON INVESTMENTS Group and Charity	Unrestricted £'000	Restricted £'000	Total 2021 £'000	Unrestricted £'000	Restricted £'000	Total 2020 £'000
Unrealised gains on listed investments	2,735	307	3,042	1,227	124	1,351
Fair value adjustment on investment properties	-	-	-	(257)	-	(257)
Realised gain on sale of leasehold investment property	-	-	-	100	-	100
Total net gains on investments	2,735	307	3,042	1,070	124	1,194

12. FUND TRANSFERS Group and Charity	Unrestricted £'000	Restricted £'000	Total 2021 £'000	Unrestricted £'000	Restricted £'000	Total 2020 £'000
Transfer of exceptional income to pension reserve	10,000	(10,000)	-	-	-	-
Other transfers to general funds	117	(117)	-	51	(51)	-
Total transfers	10,117	(10,117)	-	51	(51)	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

13. TANGIBLE FIXED ASSETS	Freehold properties £'000	Long leasehold properties £'000	Motor vehicles £'000	IT, furniture & equipment £'000	Total £'000
Group					
Cost					
At 1 January 2021	9,627	1,268	20	1,180	12,095
Additions	-	-	-	-	-
Disposals	-	(302)	-	-	(302)
At 31 December 2021	9,627	966	20	1,180	11,793
Depreciation					
At 1 January 2021	1,005	407	19	1,134	2,565
Charge for year	137	22	-	32	191
Eliminated on disposal	-	(105)	-	-	(105)
At 31 December 2021	1,142	324	19	1,166	2,651
Net book value					
At 31 December 2021	8,485	642	1	14	9,142
At 31 December 2020	8,622	861	1	46	9,530

	Freehold properties £'000	Long leasehold properties £'000	Motor vehicles £'000	IT, furniture & equipment £'000	Total £'000
Charity					
Cost					
At 1 January 2021	9,627	1,268	20	1,175	12,090
Additions	-	-	-	-	-
Disposals	-	(302)	-	-	(302)
At 31 December 2021	9,627	966	20	1,175	11,788
Depreciation					
At 1 January 2021	1,005	407	19	1,130	2,561
Charge for year	137	22	-	32	191
Eliminated on disposal	-	(105)	-	-	(105)
At 31 December 2021	1,142	324	19	1,162	2,647
Net book value					
At 31 December 2021	8,485	642	1	13	9,141
At 31 December 2020	8,622	861	1	45	9,529

All assets are owned by the Charity except for The Military Wives Choirs Foundation's furniture and equipment of £1,000 (2020 - £1,000) upon which depreciation of £nil (2020 - £1,000) was charged.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

14. INVESTMENTS	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Investments comprise:				
Freehold investment properties	8,356	8,356	8,356	8,356
Listed investments	34,565	29,997	34,565	29,997
Investments in subsidiaries	-	-	10	10
	42,921	38,353	42,931	38,363

	Group Freehold £'000	Charity Freehold £'000
Investment properties at fair value		
As at 1 January 2021 and at 31 December 2021	8,356	8,356

The freehold investment property, a part of the freehold SSAFA Headquarters property was revalued at 31 December 2020, based on a valuation undertaken by Jones Lang Lasalle, an independent valuer with recent experience in the location and classes of the investment properties being valued. The valuation was prepared in accordance with the RICS Valuation - Professional Standards, January 2014 as published by the Royal Institution of Chartered Surveyors on the basis of Fair Value for current use. The Trustees are satisfied that the valuation as at 31 December 2020 remains materially accurate at the balance sheet date. There are no restrictions on the realisability of the freehold property.

As set out in note 3, property rental income earned during the year was £469,000 (2020: £669,000). The freehold investment property is leased out under operating leases and the leasehold investment property formed part of a wider contractual arrangement. Direct operating expenses arising on the freehold investment property generated rental income in the year of £ 85,000 (2020 - £130,000).

At the balance sheet date, the Charity had contracted with tenants for the following future minimum lease payments:

	2021 £'000	2020 £'000
Within one year	149	238
In two to five years inclusive	162	311

Listed investments	Total £'000
Group:	
Market value:	
At 1 January 2021	29,997
Acquisitions	1,605
Receipts from disposals of investments	(79)
Realised and unrealised profits on revaluation	3,042
At 31 December 2021 - Group	34,565
Investment in subsidiary	10
At 31 December 2021 - Charity	34,575
Historical cost at 31 December 2021	23,831

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

14. INVESTMENTS Cont.	2021 £'000	2020 £'000
Listed investments are represented by:		
Armed Forces Charity Authorised Investment Fund Units	34,309	29,768
United Kingdom - Equities	256	229
	34,565	29,997

Investments within the portfolio which amount to more than 5% of total holdings as at 31 December 2021 were:

	2021 £'000	2020 £'000
Armed Forces Charity Authorised Investment Fund	34,309	29,768

Any charges made by the fund manager for managing the fund are deducted in arriving at the income or gains available for distribution and can not be separately identified. There are no restrictions on the realisation of these investments.

Subsidiary undertakings

As at the balance sheet date, the Charity owned the entire ordinary share capital (where applicable) of the following subsidiary undertakings:

Name	Holding	Activity
SSAFA Family Health Services	Limited by guarantee	Health and welfare services
SSAFA Forces Help Enterprises Limited	10,000 £1 ordinary shares	Sale of merchandise
The Military Wives Choirs Foundation	Limited by guarantee	Military Wives and other choirs
SSAFA CMS Limited	100 £1 ordinary shares	Casework management system

Details of the subsidiaries' profit and loss accounts are as given below. These undertakings (excluding the charitable subsidiary) donate their taxable profits to the Charity each year.

The assets and liabilities of each subsidiary as extracted from the latest financial statements were:

	SSAFA Family Health Services		SSAFA Forces Help Enterprises Limited		Military Wives Choirs Foundation		SSAFA CMS Limited	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Total assets	902	806	304	357	507	491	174	89
Total liabilities	(720)	(616)	(180)	(148)	(280)	(281)	(173)	(88)
	182	190	124	209	227	210	1	1
Represented by:								
Share capital	-	-	10	10	-	-	-	-
Reserves	182	190	114	199	227	210	1	1
	182	190	124	209	227	210	1	1
The results for the year were:								
Income	5,910	8,799	259	490	496	629	410	490
Expenditure	(4,573)	(6,566)	(98)	(148)	(479)	(439)	(410)	(490)
Net income	1,337	2,233	161	342	17	190	-	-
Donation to charity under Gift Aid	(1,345)	(2,146)	(246)	(327)	-	-	-	-
Reserves brought forward	190	103	199	184	210	20	1	1
Retained in subsidiary	182	190	114	199	227	210	1	1

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

14. INVESTMENTS Cont.

Joint venture

The provision of primary health care services in North West Europe was performed by the Charity's joint venture, SSAFA GSTT Care LLP. The Group holds 50% of the capital of SSAFA GSTT Care LLP, held at a cost of £1 by SSAFA Family Health Services. The LLP was placed into members' voluntary liquidation in April 2021.

	SSAFA GSTT Care LLP 2021 £'000	SSAFA GSTT Care LLP 2020 £'000
A summary of the Group's share of the joint venture:		
Turnover	-	7,235
Expenditure	(3)	(7,234)
(Loss)/profit before and after tax	(3)	1
Current assets	-	49
Liabilities due within 1 year	-	(46)

All income and expenditure through the joint venture are included in health and welfare activities as shown in the Group Statement of Financial Activities.

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
15. DEBTORS				
Trade debtors	761	1,053	367	377
Amounts owed by subsidiary undertakings	-	-	850	805
Amounts owed by related undertakings	-	45	-	-
Other debtors	52	46	12	5
Prepayments and accrued income	4,812	2,883	4,696	2,862
Total debtors	5,625	4,027	5,925	4,049

Amounts owed by Group undertakings are repayable on demand and no interest is payable. All amounts are due within one year.

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
16. CREDITORS				
Amounts falling due within one year:				
Bank loans	4,583	-	4,583	-
Trade creditors	747	478	494	449
Other tax and social security costs	533	555	536	508
Other creditors	148	107	157	107
Unalmonised grants	1,521	1,623	1,521	1,623
Accruals and deferred income	922	1,086	687	847
Total creditors	8,454	3,849	7,978	3,534

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
17. CREDITORS				
Amounts falling due after more than one year:				
Bank loans	417	-	417	-
Total creditors	417	-	417	-

During the year the Charity obtained a loan from NatWest Bank plc under the Government's Coronavirus Business Interruption Loan Scheme. The loan is repayable in 12 equal monthly instalments beginning in February 2022 with the final payment due in January 2023. The amount due in more than five years is nil. Interest is payable at Bank of England base rate plus 1.65%. Interest of £82,000 was charged during the year. Under the scheme the Charity received a grant (see note 5) from the Government to fund the interest charged.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Balance at 1 January 2021 £'000	Incoming resources £'000	Resources expended £'000	Other movements £'000	Transfers £'000	Balance at 31 December 2021 £'000
18. FUNDS						
General funds	49,813	18,924	(17,115)	2,699	(41)	54,280
Designated funds						
Carmichael Walker Fund	413	12	(9)	36	-	452
Royal Patriotic Fund	1,215	-	(65)	-	-	1,150
Total designated funds	1,628	12	(74)	36	-	1,602
Pension reserve	(17,086)	-	(698)	7,626	10,158	-
Total unrestricted funds	34,355	18,936	(17,887)	10,361	10,117	55,882
Restricted funds						
Defined Pension Contribution from MOD	-	10,000	-	-	(10,000)	-
Welfare and case grants	1,489	890	(1,406)	3	-	976
Housing	327	70	-	-	-	397
UK Armed Forces and other charities	-	7,824	(7,824)	-	-	-
UK Armed Forces 'grant-aided' activities	-	504	(457)	-	(47)	-
The Royal Homes	2,018	540	(620)	178	-	2,116
Miscellaneous branch funds	2,223	230	(189)	126	(70)	2,320
Adoption services	100	-	-	-	-	100
Welfare funds	1,169	1,026	(1,076)	-	-	1,119
Total restricted funds — Charity	7,326	21,084	(11,572)	307	(10,117)	7,028
Military Wives Choirs Foundation	202	222	(283)	-	-	141
Total restricted funds - group	7,528	21,306	(11,855)	307	(10,117)	7,169
Total funds - Group	41,883	40,242	(29,742)	10,668	-	63,051
General funds						
SSAFA Family Health Services	(190)					(182)
SSAFA Forces Help Enterprises Limited	(192)					(107)
SSAFA CMS Limited	(1)					(1)
Share of joint venture	(3)					-
Military Wives Choirs Foundation	(210)					(227)
Total funds — Charity	41,287					62,534

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Balance at 1 January 2020 £'000	Incoming resources £'000	Resources expended £'000	Other movements £'000	Balance at 31 December 2020 £'000
18. FUNDS (continued)					
General funds	46,845	19,965	(17,534)	537	49,813
Designated funds					
Carmichael Walker Fund	380	18	(2)	17	413
Royal Patriotic Fund	1,287	-	(72)	-	1,215
Total designated funds	1,667	18	(74)	17	1,628
Pension reserve	(1,706)	-	(1,286)	(14,094)	(17,086)
Total unrestricted funds	46,806	19,983	(18,894)	(13,540)	34,355
Restricted funds					
Welfare and case grants	1,843	1,065	(1,420)	1	1,489
Housing	322	5	-	-	327
UK Armed Forces and other charities	-	10,343	(10,343)	-	-
UK Armed Forces 'grant-aided' activities	-	575	(524)	(51)	-
The Royal Homes	1,927	552	(535)	74	2,018
Miscellaneous branch funds	2,109	194	(129)	49	2,223
Adoption services	250	100	(250)	-	100
Welfare funds	468	1,393	(692)	-	1,169
Total restricted funds — Charity	6,919	14,227	(13,893)	73	7,326
Military Wives Choirs Foundation	33	269	(100)	-	202
Total restricted funds - group	6,952	14,496	(13,993)	73	7,528
Total funds - Group	53,758	34,479	(32,887)	(13,467)	41,883
General funds					
SSAFA Family Health Services	(103)				(190)
SSAFA Forces Help Enterprises Limited	(194)				(192)
SSAFA CMS Limited	(1)				(1)
Share of joint venture	2				(3)
Military Wives Choirs Foundation	(8)				(210)
Total funds — Charity	53,454				41,287

Funds are held for use for the following purposes:

General funds

General funds are available for use at the discretion of Council to further the Charity's objectives.

Designated funds

Carmichael Walker Fund — for use on charitable activities in the North East of England.

Royal Patriotic Fund — having accepted the funds and obligations of the Royal Patriotic Fund Corporation on 27 May 2011, the assets attaining have been designated for the purposes of the Royal Patriotic Fund Corporation.

Restricted Funds

Welfare and case grants - includes funding received from the Armed Forces Covenant (LIBOR) Fund for four projects, Short Breaks, Mutual Support, Mental Health First Aid and Mentoring.

Homes from Home Appeal - to provide funding for families visiting injured servicemen and women at Norton House

UK Armed Forces and other charities - contributions received from these bodies to provide grants to individuals for welfare purposes

UK Armed Forces-Grant Aided - received under grant in aid to reimburse the costs incurred in the provision of Community Health and Social Services

The Royal Homes - a charity providing residential facilities linked with the Charity's activities under a Charity Commission Scheme in 1998

Miscellaneous branch funds - funds which have been received by branches for specific use in their local areas

Welfare funds - income or capital received which may only be applied in the provision of welfare services to eligible individuals in need

Included under this heading is The Aircrew Association Charitable Fund, a subsidiary charity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

	General 2021 £'000	Designated 2021 £'000	Restricted 2021 £'000	Total 2021 £'000
19. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS				
Fund balances at 31 December 2021 are represented by:				
Tangible fixed assets	8,838	-	304	9,142
Investments	39,785	355	2,781	42,921
Net current assets	6,074	1,247	4,084	11,405
Liabilities due after more than one year	(417)	-	-	(417)
Total net assets between funds	54,280	1,602	7,169	63,051

	General 2020 £'000	Designated 2020 £'000	Restricted 2020 £'000	Total 2020 £'000
Fund balances at 31 December 2020 are represented by:				
Tangible fixed assets	9,222	-	308	9,530
Investments	35,940	318	2,098	38,356
Net current assets	4,651	1,310	5,122	11,083
Defined benefit pension liability	(17,086)	-	-	(17,086)
Total net assets between funds	32,727	1,628	7,528	41,883

20. CONTINGENT ASSETS

Neither the Group nor the Charity have identified any contingent assets due either at 31 December 2021 nor at 31 December 2020.

21. CONTINGENT LIABILITIES

The Charity had no contingent liabilities at the year end (2020: commitment to a Coronavirus Business Interruption Loan Scheme loan of £5,000,000).

22. CAPITAL COMMITMENTS

The Group had no capital commitments either at 31 December 2021 nor at 31 December 2020.

23. BANK GUARANTEE

The Charity has guaranteed overdraft facilities for its charitable trading subsidiary, SSAFA Family Health Services, up to £1 million. As additional security, the bank holds a debenture over the assets of SSAFA Family Health Services.

24. RETIREMENT BENEFITS

	2021 £'000	2020 £'000
Local Government Pension Scheme	10,158	411
Aviva Group Personal Pension Plan	525	436
NHS Pensions Scheme	12	16
Total contributions	10,695	863

Aviva Group Personal Pension Plan

SSAFA operates a defined contributions pension scheme for the benefit of SSAFA's employees. The assets of the scheme are administered by Trustees in a fund independent from those of the Charity. The charge for the year represents those contributions payable to the scheme in respect of the accounting period.

SSAFA had 291 active members in the scheme as at 31 December 2021 (2020: 235) and total pension scheme contributions outstanding at the year end amounted to £69,000 (2020: £51,000).

NHS Pensions Scheme

Following the transfer of staff to SSAFA from the MOD, SSAFA currently participates in the NHS Pensions Scheme. The NHS Pension Scheme is an unfunded multi-employer defined benefit scheme. The assets of the scheme are administered by NHS Pensions in a fund which is independent of SSAFA. The charge for the year represents those contributions payable to the scheme in respect of the accounting period. Entry into this scheme is strictly limited to employees transferring to SSAFA from the NHS and at 31 December 2021, the Association had 2 (2020:2) active members in this scheme.

The pension scheme contributions outstanding at the end of the accounting period amounted to £2,000 (2020: £1,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

24. RETIREMENT BENEFITS (continued)

Local Government Pension Scheme (LGPS)

SSAFA participates in a defined benefit scheme with contributions paid by the employer. The scheme is a multi-employer scheme administered by the London Pension Fund Authority (LPFA) and is only open to certain categories of SSAFA's employees. The scheme is closed to new members.

At 31 December 2021 the Association had 19 active members (2020: 21).

The last actuarial valuation of the scheme was at 31 March 2019 using the projected unit method and the attained age method, dependent on the fund being valued. At the valuation date the market value of the LPFA assets was £6,053m in comparison to the actuarial value of benefits that had accrued to members of £5,554m. Accordingly, as at 31 March 2019, there was a surplus of £481m. Although the London Pension Fund Authority is a multi-employer scheme, it has been able to allocate assets and liabilities relating to SSAFA Forces Help and these are disclosed below.

The employer contributed 19.7% during the year and the employee contribution rate ranges from 5.5% to 10.5% depending on the full-time annual rate of pay.

At 31 December 2021 the valuation was updated in accordance with FRS 102 and in line with the assumptions used in the 2021 scheme valuation. The major assumptions used by the actuary were:

Assumptions as at	31 December 2021	31 December 2020
	% p.a.	% p.a.
RPI increases	3.2%	2.9%
CPI increases	2.9%	2.5%
Salary increases	4.0%	3.5%
Pension increases	3.0%	2.5%
Discount rate	1.9%	1.3%

Mortality assumption

The post-retirement mortality tables are based on Club Vita analysis. These base tables are then projected using the CMI 2020 model allowing for a long-term rate of improvement of 1.25% per annum.

Assumptions: members will exchange half of their commutable pension for cash at retirement and active members will retire at one retirement age for all tranches of benefit, which will be the pension-weighted average tranche retirement age. No members will take up the option under the new LGPS to pay 50% of contributions for 50% of benefits.

Assets

The estimated asset allocation as at 31 December 2021 is as follows:

	31 December 2021	31 December 2020
	% p.a.	% p.a.
Equities	58%	55%
Target Return Portfolio	21%	23%
Infrastructure	9%	7%
Property	8%	9%
Cash	4%	6%
Total	100%	100%

None of the fair values of the assets shown above include any of the Group's own financial instruments or any property occupied by, or other assets used by the Group.

Statement of financial position as at 31 December 2021	2021 £'000	2020 £'000
Fair value of scheme assets (bid value)	145,173	117,484
Present value of funded obligations	(123,562)	(134,570)
Asset ceiling - restriction on recognising surplus	(21,611)	-
Net pension liability	-	(17,086)

The Trustees accept the legal necessity to include the FRS 102 liability in the Financial Statements. The MOD made a contribution of £10 million during the year, and at the year end the actuarial valuation was £21,611,000. The Trustees consider the Charity has no right to any future economic benefits from the scheme despite the asset position and have not recognised an asset in the financial statements..

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

21. RETIREMENT BENEFITS (continued)

	2021 £'000	2020 £'000
Reconciliation of defined benefit obligation:		
Opening defined benefit obligation	134,570	116,898
Current service cost	394	487
Interest cost	1,659	2,353
Change in financial assumptions	(4,436)	20,151
Change in demographic assumptions	(1,643)	-
Experience gain on defined benefit obligation	(3,193)	(1,467)
Past service costs	-	618
Contributions by Scheme participants	62	88
Estimated benefits paid (net of transfers in)	(3,851)	(4,558)
Closing defined benefit obligation	123,562	134,570

	2021 £'000	2020 £'000
Reconciliation of fair value of employer assets:		
Opening fair value of scheme assets	117,484	115,192
Interest on assets	1,508	2,322
Return on assets less interest	19,965	2,884
Administration expenses	(153)	(150)
Other actuarial gains	-	1,139
Contributions by employer (including unfunded)	10,158	567
Contributions by scheme participants	62	88
Estimated benefits paid (net of transfers in and including unfunded)	(3,851)	(4,558)
Asset ceiling - restriction on recognising surplus	(21,611)	-
Closing fair value of employers assets	123,562	117,484

The actual return on plan assets over the year ended 31 December 2021 was £21,473,000 (2020: £5,206,000).

	2021 £'000	2020 £'000
Fair value of the plan assets at the reporting period end		
Equities	83,261	64,103
Gilts	29,873	27,188
Other bonds	13,250	7,886
Property	12,333	10,784
Cash	6,456	7,523
	145,173	117,484

	2021 £'000	2020 £'000
Defined benefit costs recognised in the Statement of Financial Activities		
Service cost	394	1,105
Net interest on the defined liability	151	31
Administration expenses	153	150
Defined benefit costs recognised in the Statement of Financial Activities	698	1,286

	2021 £'000	2020 £'000
Re-measurement of the net assets/(defined liability)		
Return of fund assets in excess of interest	19,965	2,884
Other actuarial gains on assets	-	1,139
Change in financial assumptions	4,436	(20,151)
Change in demographic assumptions	1,643	-
Experience gain on defined benefit obligation	3,193	1,467
Asset ceiling - restriction on recognising surplus	(21,611)	-
Re-measurement of the net assets/(defined liability)	7,626	(14,661)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

24. RETIREMENT BENEFITS (continued)

	2021 £'000	2020 £'000
Reconciliation of opening and closing deficit:		
Deficit at beginning of the year	(17,086)	(1,706)
Current service cost	(394)	(487)
Past service cost	-	(618)
Employer contributions	10,158	567
Other finance income	(151)	(31)
Actuarial gains/(losses)	29,237	(14,661)
Asset ceiling - restriction on recognising surplus	(21,611)	-
Administrative expenses	(153)	(150)
Deficit at end of the year	-	(17,086)

Sensitivity Analysis

The following table sets out the impact of a small change in the discount rate or mortality assumptions:	£'000s	£'000s	£'000s
Adjustment to discount rate	0.1%	0%	-0.1%
	Present value of total obligation	121,474	123,562
	Projected service cost	363	371
		0.	
Adjustment to long term salary increase		123,660	123,562
	Present value of total obligation	372	371
	Projected service cost		371
Adjustment to pension increases and deferred revaluation	0.1%	0%	-0.1%
	Present value of total obligation	125,565	123,562
	Projected service cost	380	371
Adjustment to life expectancy assumptions	+1 Year	None	- 1 Year
	Present value of total obligation	129,771	123,562
	Projected service cost	389	371
			354

25. FINANCIAL ASSETS AND LIABILITIES

Group	2021 £'000	2020 £'000
Financial assets	49,583	42,004
Financial liabilities	7,921	3,294
Charity	2021 £'000	2020 £'000
Financial assets	49,143	41,150
Financial liabilities	7,442	3,026

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

26. RELATED PARTY TRANSACTIONS

The Charity had the following transactions with its wholly owned subsidiaries

	2021 £'000	2020 £'000
Management fees charged to SSAFA Forces Help Enterprises Limited	20	15
Donation received from SSAFA Forces Help Enterprises Limited under Gift Aid	246	327
Amount due from SSAFA Forces Help Enterprises Limited	86	57
Salary and management charges to SSAFA Family Health Services	4,511	5,649
Donation received from SSAFA Family Health Services under Gift Aid	1,345	2,146
Amount due from SSAFA Family Health Services	502	478
Salary costs recharged to SSAFA CMS Limited	183	167
Amounts charged from SSAFA CMS Limited	93	96
Amounts due from Military Wives Choirs Foundation	261	264

The following transactions took place between SSAFA Family Health Services, a wholly owned subsidiary and, SSAFA GSTT Care LLP, a joint venture investment in which SSAFA Family Health Services has a 50% interest.

	2021 £'000	2020 £'000
Sales to SSAFA GSTT Care LLP	-	2,407

Guarantor:

The Charity is the Guarantor of a £1 million overdraft facility provided to SSAFA Family Health Services by Royal Bank of Scotland



SSAFA, the Armed Forces charity is a trusted source of practical, emotional, and financial support for serving personnel, veterans and their families in their time of need. In 2021 our trained teams of volunteers and employees helped more than 66,000 people, from Second World War veterans to those who have served in more recent conflicts, or currently serving (both regulars and reserves), and their families.

SSAFA understands that behind every uniform is a person. And we are here for that person and their family, any time they need us and in any way they need us.

NEED TO TALK?

SSAFA's Forcesline is a free and confidential helpline providing advice and information for serving personnel, reserves, veterans and their families, and is completely independent of the chain of command.

■ Call **0800 731 4880** Lines open 09.00 to 17.30 weekdays

■ Visit **ssafa.org.uk/forcesline**

To make a donation and help us provide lifelong support to our Armed Forces and their families:

■ Call **020 7403 8783**

■ Visit **ssafa.org.uk/give**



THE SOLDIERS, SAILORS, AIRMEN AND FAMILIES ASSOCIATION - FORCES HELP

England & Wales - Charity number 210760

Accounts



Annual report

and accounts 2020

ssafa | the
Armed Forces
charity

Regulars | Reserves | Veterans | Families

ssafa.org.uk

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Regulars | Reserves | Veterans | Families

The Soldiers', Sailors', Airmen's and Families' Association - Forces Help

Queen Elizabeth House, 4 St Dunstan's Hill
London EC3R 8AD
ssaafa.org.uk

Registered Charity Numbers

210760 (England and Wales)
SC038056 (Scotland)
149 (Gibraltar)
20006082 (Republic of Ireland)

Auditor

Moore Kingston Smith LLP, Statutory Auditor, Chartered Accountants, 60 Goswell Road, London EC1M 7AD

Bankers

Coutts & Co
440 The Strand, London WC2R 0QS

Royal Bank of Scotland Plc
West End Commercial Centre, 1st Floor, Argyll House, 246 Regent Street, London W1B 3PB

Investment Managers

BlackRock Investment Managers Ltd,
12 Throgmorton Avenue, London EC2N 2DL

Solicitors

Withers LLP, 20 Old Bailey, London EC4M 7EG

A MESSAGE FROM OUR CHAIRMAN

Welcome to our 2020 Annual Report and Accounts

SSAFA is deeply proud of all members of the Armed Forces community and is here for all those serving (regulars and reserves), veterans and their families - irrespective of service history, rank, regiment, gender, sexual orientation, ethnicity or religion. The support we offer is diverse, because our Forces family is diverse too.

Through our range of complementary services, and some new innovative programmes launched to directly tackle the unique impacts of Covid-19, we have supported 79,540 individuals in 2020. This is lower than last year as many traditional external referral routes contracted. Combined with the UK's strong 'Stay at home' message, this resulted in a reduction in help seeking across society.

However, we saw a rise in urgent financial need; our Welfare Grants team distributed £231,669 to those most in need, with an additional £60,559 being distributed from our Crisis Fund. As the pandemic extended, SSAFA continued to respond and evolve new programmes and services to support our beneficiaries. Veterans Not Forgotten - our collaboration with AgeUK-sought to help older veterans affected by the pandemic. Our SSAFA Together Project, funded by a National Lottery grant, supported local groups seeking to tackle loneliness and isolation in areas of significant veteran populations, including a meals-on-wheels service for the most vulnerable.

Forcesline saw a significant increase in the number of contacts, many related to loneliness and isolation. Operating throughout the lockdowns, our team of specially trained advisors dealt with 27,761 enquiries in 2020, without interruption, by moving our free, multi-channel confidential helpline into their own homes.

We embraced new digital and virtual methods of service delivery, from online adoption assessments in the UK to midwife appointments in Cyprus. Our Learning & Development team ensured our volunteer and employee training continued throughout, with 1,646 volunteers and employees attending 112 virtual courses last year.

Anticipating falls in fundraising our teams sought additional income streams. We accessed exceptional Government-funded grants from the Department of Culture, Media and Sport and the Armed Forces Covenant Trust Fund, with a combined total of £750,000. In April 2020 we also launched our

Emergency Response Fund Appeal which raised over £250,000 to provide essential crisis grants to those most in need.

We launched our SSAFA@140 programme in 2019, with the objective to focus on optimising our network to ensure sustainability and being able to provide a timely and quality assured service for the next decade and beyond. Implementation will start in 2021 and we have resolved to reduce our regional structure but with increased paid support.

We also commissioned an external review of the Charity's governance by our internal auditors Mazars. Whilst finding no major failings, the report provided a 20-item action plan to optimise our governance of the Charity, which included adjustment to some procedures, recruitment of additional, more diverse talent and decide how to make better use of our committees and Vice Presidents.

2020 was not just the year of the Pandemic, it also marked monumental moments in history: 20th anniversary of the military ban lifted for people expressing same sex attraction from serving, 75th anniversary of VE Day and VJ Day, 30 years since the Royal Navy first women to sea, and SSAFA's 135th anniversary. Our plans to mark VE Day and VJ Day 75th anniversary and commemorate the wartime generation, all had to be cancelled. We were able to participate in the national virtual moments, sharing stories of SSAFA beneficiaries from the wartime generation. 100 million people saw our SSAFA brand over the VE Day weekend and our fundraising was bolstered.

As the impact of Covid-19 was felt by all, the wartime spirit was often evoked. Our 4,751 volunteers UK-wide and around the world, supporters, beneficiaries and employees all exhibited this zeal. We responded, adapted and rose to the challenges of the pandemic. I am humbled by all their efforts and support, ensuring SSAFA continues to be there for the Armed Forces community, for as long as they need us.



A handwritten signature in black ink, which appears to read 'G. Coward'.

Lieutenant General
Sir Gary Coward KBE CB
National Chairman

SSAFA'S GOVERNANCE STRUCTURE

This page provides an overview of SSAFA's governance structure.

SSAFA is governed by a Trustee body, referred to as SSAFA Council, with our National Chairman the Chairman of Council.

Officers of the Association (Chairman, Vice Chairman and Treasurer) and Members of the Council are all Trustees. They are incorporated as a body operating under the Association's Royal Charter. One third of our Trustees are required to retire each year but are eligible for re-election by the Association.

Trustees are ultimately responsible for all matters concerning governance, strategic direction, legal operation and financial probity. They exercise authority only when making a majority decision at a duly constituted meeting of Council, comprising between seven and 17 members.

Our Chief Executive, known as the Controller, is responsible to the charity's Trustees for the management of SSAFA's global activities. The Controller chairs the Management Board, which oversees SSAFA's wide range of activities in support of the Armed Forces community.

PATRON

Her Majesty The Queen

PRESIDENT

HRH Prince Michael of Kent

VICE PRESIDENTS

Lady Carleton-Smith

Lady Carter

The Lady Dannatt

The Baroness Fookes

Lady Hillier (retired December 2020)

Lieutenant Colonel Colin Hogg

The Lady Houghton

Surgeon Captain Alan McEwan

The Lady Walker

The Rt Hon Lord Westbury

Lady Peach (retired July 2020)

CHAIRMAN

Lieutenant General Sir Gary Coward

VICE CHAIRMAN

Wing Commander Kirsty Bushell

HONORARY TREASURER

Mr David Rowe

COUNCIL MEMBERS

Mr James Carleton

Warrant Officer Class 1 Glenn Haughton (retired May 2021)

Commodore Peter Cowling (retired March 2020)

Mr David McCorkell

Lieutenant Colonel (ret'd) Graham Meacher

Mr Robert Murphy

Air Vice-Marshal Charles Ness

Colonel Stephen Oxlade

Mr David Singletary (retired December 2020)

Mrs Evelyn Strouts

Dr Diana Wood

CONTROLLER

Lieutenant General Sir Andrew Gregory

SECRETARY AND FINANCE DIRECTOR

Mr Simon Blum

SSAFA COMMITTEES

SSAFA has a number of committees overseeing different work streams. Each is chaired by a Trustee with the intention of providing advice and support for our Council in governance in order to achieve the objectives of the charity.

The following committees meet on a quarterly basis:

- **Risk Committee**, responsible for ensuring that SSAFA and its subsidiaries conduct their business to the highest standard of probity, reporting to Council thereon.
- **Finance Committee**, responsible for ensuring that SSAFA's financial position is sustainable and advising Council accordingly.
- **Regional Representatives' Forum**, a consultative non-executive body with responsibility for effective two-way communication and facilitation between Council, committees, volunteers and employees, reporting to Council.
- **Scottish Resources Committee**, working with SSAFA Trustees, branches, service committees, volunteers, employees and external stakeholders to ensure the efficient and effective coordination of resources and activities to alleviate need amongst veterans, serving personnel and their families in Scotland.
- **Vice Chairman's Committee**, responsible for making decisions about governance, human resources, remuneration, honours and awards, reporting to Council.

Under the authority of Council, SSAFA operates three subsidiary companies, one Limited Liability Partnership and one incorporated charity:

- **SSAFA Family Health Services,**
- **SSAFA Forces Help Enterprises Limited,**
- **SSAFA CMS Limited,**
- **SSAFA GSTT Care LLP,**
- **The Military Wives Choirs Foundation.**

For further information and governance details, please refer to pages 15-16.

SSAFA's Council meets on a quarterly basis and ensures the charity is carrying out its purposes for the benefit of our beneficiaries, is accountable, and complies with our governing documents and the law, as well as ensuring our resources are managed responsibly.

There are also several standing Council agenda items which include;

Safeguarding, Fundraising Strategy & Policy, Equality Diversity & Inclusion, as well as Data Protection and Information Management - which is managed by an independent Data Protection Officer.

TRUSTEES' REPORT

We, the Trustees, are pleased to present the annual Trustees' Report and the consolidated financial statements of the Charity. These financial statements comply with SSAFA's governing document, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Act (Gibraltar) 1962-12, the Charities Act 2009 (Republic of Ireland) and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OUR CHARITABLE OBJECT AND ACTIVITIES FOR THE PUBLIC BENEFIT

SSAFA is a public benefit entity. The Trustees have given due consideration to the Charity Commission published guidance on the operation of the Public Benefit requirement, and confirm that the objects of SSAFA, as established and incorporated, are to relieve the need, suffering and distress of all those who are serving or have served in the Armed Forces of the Crown, and their families and dependants. There are only two criteria for assistance: eligibility and need.

Crucial to the successful delivery of all our charitable activities is a network of more than 4,750 volunteers across the globe. It is impossible to quantify the value of their contribution in monetary terms, and therefore no amounts are recorded in the financial statements.

DURING 2020, SSAFA'S SERVICES FOCUSED ON:

Welfare advice and support — our network of branches in local communities and service committees on military bases offer practical, financial and emotional support. We help serving personnel, both regulars and reservists, veterans and their families with everything from financial hardship to family breakdown.

Tailored support services — we mentor service leavers and their families as they transition from the military to civilian life, support veterans and their families in the criminal justice system, provide a support service to the UK Gurkha veteran community and, with Glasgow City Council, provide welfare and wellbeing support to members of the Armed Forces family in Glasgow. We also help older veterans struggling with disability, sourcing practical items such as mobility aids or replacing household goods. Our free confidential helpline, Forcesline, provides a wide range of financial,

practical, and emotional support to the Armed Forces community. We offer long-term accommodation for older and disabled veterans and we have short-term housing available for families of injured service personnel as well as for women and children affected by domestic violence from families serving in the Armed Forces. We run a series of support groups; ranging from families affected by injury or bereavement to those affected by the suicide of a loved one as well as a support forum (FANDF) for those in the military who have a family member with an additional need or disability. We also provide short break holidays for those Forces families with additional needs and disabilities. In addition, we operate the UK's only adoption agency specifically designed for Armed Forces serving personnel, which is Ofsted-rated as 'Outstanding'. This tailor-made service for military families, provides support throughout the adoption process, including family finding, link-making and post-adoption support.

Health and social care services — we provide primary and community health care in nine countries and overseas territories around the world - Cyprus, Brunei, Gibraltar, Canada, Germany (centred on Sennelager), Belgium, the Netherlands, Italy and Kenya. Depending on the requirements, these services range from Ministry of Defence [MOD] Contracted Community Healthcare in Cyprus to Grant-in-aid Health Visiting in Kenya and Speech and Language therapy in Brunei. Up until June 2020 we were providing personal social work services (PSWS) in Cyprus. We are currently providing PSWS to the Royal Air Force (RAF) in the UK under contract to the MOD.

DELIVERING AGAINST OUR 2020 AIMS AND OBJECTIVES

We are focused on continuing to ensure that the needs of the Armed Forces, veterans and their families are met in an appropriate and timely way. We exist to relieve need, suffering and distress amongst the Armed Forces, veterans and their families - to support their independence and dignity. Our five strategic aims deliver this through:

1. Understanding need: We will ensure that we understand and adapt to the needs of those we support.

2. Effective support: We will alleviate suffering and distress by providing appropriate, timely and effective support.

3. Awareness and understanding: We will strive to be recognised, known and understood.

4. Sustainable resource: We will ensure we have people with the right skills and sufficient time to deliver our services, underpinned by a sustainable income.

5. Collaborative working: We will work collaboratively within the organisation and with external partners.

We will continue to drive progress against these strategic objectives and meet client need against a dynamic backdrop of change. Our core services, which will always focus on the needs of our beneficiaries, are met either through our volunteer casework, meeting serving communities' needs, or through mentoring and working with individuals at all stages of the criminal justice system.

During the last 12 months, we have seen a fall in income from contracted services. Despite the Covid-19 pandemic and subsequent lockdowns, however, 2020 proved to be more financially resilient than we had originally forecast when the first lockdown was enforced in March 2020.

In line with our strategic aim of achieving sustainability and in response to an uncertain financial impact during the Covid-19 pandemic, a proportion of our employees were included in the Government furlough scheme in 2020. In addition, around a third of remaining staff members had a 20 per cent reduction in hours and pay imposed from May 2020. This was then subsequently reduced to 10 per cent in July, with hours and pay reverting to 100 per cent in October 2020. Frontline service staff and those employed on MOD contracts or Grant-in-Aid were exempt from these cuts, ensuring our most vital services continued to operate throughout the crisis. Further cost savings came from the switch to remote training and working, reducing travel and accommodation expenses. These measures had a combined saving of approximately £900,000.

We also worked collaboratively to seek out new funding streams during 2020. Charitable donations from public collections and branch activities were significantly reduced due to the pandemic, along with the majority of our fundraising events which had to be cancelled. In 2020 we secured substantial Government-funded major donations and grants to support our work. SSAFA was awarded in total £750,000 from funds drawn from separate applications to the Department for Digital, Culture, Media and Sport [DCMS] and the Armed

Forces Covenant Trust Fund [AFCTF].

A significant element of the Charity's activities is the granting of funds to eligible individuals. SSAFA volunteers sourced over £10 million during the year to assist our clients.

OUR ACHIEVEMENTS AND PERFORMANCE IN 2020

- We supported 79,540 individuals with our charitable services in 2020. In addition, through our commercial contracts, we continue to support our serving Armed Forces and their families in the UK and overseas.
- Our 4,751 volunteers completed 24,772 visits and cases. With national lockdown restrictions in place for the majority of the year, caseworking visits are significantly down on last year, a trend shared by other large caseworking organisations. However, our volunteers embraced new, Covid-compliant approaches to caseworking to ensure that they continued to support our beneficiaries, donating more than 900,000 hours of their time.
- Our volunteer network raised £10.3 million for those who asked for our help, through applications to military benevolent funds and other welfare charities.
- Our service committees, which provide support to serving personnel and their families on military bases in the UK and overseas awarded over £36,000 in grants, the majority of which were individual support for Financial issues. The top three areas of need were family life, bereavement and subsistence. At least 140 clients were supported, with the majority (over 65%) of those aged between 18-40 years old. Our Service Committees also recorded more than 1,700 hours of volunteering being committed to support those service personnel and their families needing our help.
- We dealt with 27,761 enquiries to our free confidential helpline, Forcesline, in 2020. Our Forcesline webchat helpline, launched in October 2019 continued to provide a vital lifeline during Covid-19 with 1,886 people assisted through this new innovation. Determined that Forcesline should continue despite lockdown, our team of special advisors moved seamlessly to home working, continuing to answer calls, emails, letters and webchats from their own homes, at a time when support was never more needed. The team saw a dramatic increase in the number of calls related to loneliness and isolation as the pandemic unfolded.

- Our central Welfare Grants team received 1,241 requests for support last year. 628 people were supported with funds totalling £231,669.

A further 387 requests for financial aid totalling £60,599 were met by our Welfare Grants team through the Boeing Crisis Fund. This fund was set up in 2020, in direct response to the Covid-19 pandemic and funded by a generous donation from the world's largest aerospace company Boeing. The Boeing Crisis Fund ensured that veterans and their families experiencing urgent need and hardship received swift assistance. This was a lifeline as it was at a time when caseworkers were isolating, branch operations were restricted and almonisation processes across the sector were experiencing delays.

- We supported 747 people through our mentoring programmes, 94% more than in 2019. The age range of those accessing the service is 17-50 years old, and 2020 saw a 37% increase in the number of women across the Armed Forces accessing SSAFA Mentoring. As demands for this service increase, we are actively recruiting new volunteer mentors. Despite the lockdown restrictions, we were able to train a further 79 mentors and SSAFA remains the only military charity to be accredited for mentoring by the National Council for Voluntary Organisations.
- We helped 1,326 prisoners or family members of prisoners through our Veterans in the Criminal Justice System [VCJS] Support Service. Due to the Covid-19 pandemic, our SSAFA volunteer caseworkers have not been permitted to visit prisons, which has resulted in a fall in the number of people accessing this service in 2020. Our volunteers have however worked tirelessly to find new ways to support prisoners remotely using email, and have also focused their support on those families needing assistance outside.
- 2,353 people were helped this year by our Gurkha services. The project offers a wide range of services across the UK, including Nepali speaking caseworkers, translation services, English lessons and a comprehensive programme of raising awareness amongst healthcare service providers, the local community and Government. Traditionally, our Gurkha support has been face-to-face due to language barriers, however the pandemic significantly impacted on this. The majority of those we support are elderly with over 60% being in the 70-79-year-old age range.

As they are particularly vulnerable to Covid-19 this meant that our regular contact and our outreach activities were significantly restricted.

- Glasgow's Helping Heroes, our partnership with Glasgow City Council, supported 235 people in the city. 2020 was the 10th anniversary of this service. Our beneficiaries needed more 'life essential' support than in previous years. With a marked increase in food poverty being seen, our Glasgow's Helping Heroes service provided food in the form of foodbank vouchers, supermarket vouchers, or hampers throughout the year with 56 different clients receiving 156 emergency food supplies. In comparison to 2019, this support was only needed by 26 clients and only 48 times, clearly illustrating that food poverty in the local veteran community has more than doubled in the last 12 months and the frequency of support required has more than tripled.
- We placed nine children with adoptive military families. All these children were considered harder to place due to their age, being in a sibling group or having additional needs. We approved nine new households to adopt, half of which were same sex couples, far higher than the national average for adoption. In total, 409 households were supported by our Adoption services in 2020, with 268 of these being new households enquiring about adoption through SSAFA. Throughout, our Adoption service has remained operational, with adoption preparation group events held virtually, as well as the adoption panel approvals process being conducted online. Our adoption social workers remained in constant touch with the families they were supporting, becoming a lifeline at a time of global uncertainty.
- Our Forces Additional Needs and Disability Forum (FANDF) continues to grow, and 2020 saw 106 new members register with us. We also received 189 new enquiries; a 92% increase compared to 2019. The Covid-19 restrictions greatly impacted our short break holiday provision which gives those Forces families with additional needs and disabilities a fully funded activity holiday tailored to their specific requirements. We were only able to run one Short Break in 2020 in October, when the easing of Covid-19 restrictions allowed, with eight families, totalling 29 people able to attend.

- We ran 11 Support Group events for those facing bereavement, military families affected by suicide and families of wounded, injured, and sick personnel. 74 beneficiaries attended the events through 2020, with all but one of these events having to take place online due to the Covid-19 restrictions. Themed sessions with topics such as Wellbeing, Creativity and a Q&A on coping with bereavement proved popular and we will be offering more of these virtual events.

- 17,274 people have accessed our UK National Support Fund from across Germany, France and Cyprus. Launched in February 2020 the project is aimed at supporting veterans in Europe following Britain's departure from the EU. Working in partnership with the Foreign Commonwealth & Development Office, local SSAFA trained caseworkers are assisting UK national veterans living overseas, with their residency applications. In Cyprus, 76 veterans supported by SSAFA have now secured residency. Other applications in all three countries of operation are pending.

- 222 people were supported as part of the Veterans Should Not Be Forgotten project. Run in collaboration with AgeUK, we supported older veterans (aged 50+) who required additional support as a result of the Covid-19 pandemic and subsequent lockdowns.

- 813 individuals have been supported by the SSAFA Together Project, which seeks to combat loneliness and isolation. The project is funded by a National Lottery Community Fund grant of £100,000 and currently supports five groups from areas of high veteran density- Romford, Southend, Port Talbot, Morley and Gloucester. 161 people from these groups were identified as highly vulnerable and SSAFA has been providing Meals on Wheels since April 2020 to these individuals.

- In 2020, we helped 1,092 people through our housing services:

- 281 personnel and family members in Norton House, Stanford Hall;
- 328 women and children at our Stepping Stone Home, Gildea House, supporting residents and those in the local community; a 104% increase compared to 2019;
- 364 residents at Fisher House;
- 81 residents in our independent living accommodation, the Royal Homes Wimbledon;

- 38 residents in our bungalows across the country.

Like all our operations and services, our housing provisions were also negatively impacted by the Covid-19 pandemic. With both operations and rehabilitation activity restricted at the Defence Medical Rehabilitation Centre [DMRC], there were fewer patients and visitors requiring accommodation at Norton House. At Fisher House, with many appointments and consultations at Queen Elizabeth Hospital Birmingham carried out virtually and a reduction in training incidents within the Armed Forces, there were fewer patients and their families needing our assistance. However, our teams were not idle during the pandemic, Fisher House answered the call from the MOD and NHS to provide additional accommodation to nursing staff during lockdown to minimise travel and the Norton House team made good use of the quieter periods to install a new playground and air conditioning in the house.

For our Stepping Stone Home, the impact of Covid-19 was also felt, with a 104% increase in the number of women and children accessing the service from the local community. Gildea House provides a secure, female-only place of safety for women and children of the Armed Forces community. One of the well documented impacts of the Covid-19 pandemic nationally was a significant rise in the incidents of domestic abuse and coercive control. Enquiries to Stepping Stone have doubled in 2020 compared to 2019 in line with national trends.

Our streamlining of our housing services over the past two years, which includes the sale of St Vincents Residential Home in 2019 and bungalows on the Isle of Wight in early 2020, has resulted in an overall reduction in the number of people housed directly by SSAFA.

SOCIAL CARE OPERATIONS

2020 marked the 30th anniversary of our RAF Personal Support and Social Work Service. This MOD contracted welfare service is run by a team of 60, providing support to the RAF community on base. In 2020, 4,675 service users were supported, with 3,205 consultations, 984 referrals, 337 Long Term Sick [LST] referrals and 149 welfare supervisions.

We saw a significantly higher need for support in the first quarter of 2020 than in 2019. The majority of support required was for personal support, mental health and relationships - a similar picture to 2019. However, there was a notable increase in support

required around housing, accounting for 10.54% compared to 7.03% in 2019. Once again, our RAF Personal Support and Social Work Service was highly rated by service users, with 99% rating the service as 'Very Good' in 2020.

COMMUNITY HEALTHCARE OPERATIONS

We provided primary and community healthcare to thousands of Armed Forces and entitled personnel and their families in nine countries around the world.

- We provide Community Healthcare to the British Forces Community based in Cyprus under the current MOD contract. We deliver this across three geographical locations. The services we provide include: Child & Adolescent Mental Health Services [CAMHS], Health Visiting, Midwifery, Community Children's Nursing, Dietetics, School Nursing, Speech and Language, Podiatry and Orthoptics.
- In 2020 our teams provided in excess of 3,000 consultations across the services to serving personnel and their families in Cyprus, with 404 new referrals made to the Community Healthcare service. Our midwives and health visitors supported the mothers of 120 babies born on the island in 2020, while health visitors supported children 0-5 years delivering the Healthy Child and UK Immunisation Programme. Nearly 300 school age children participated in the National Child Measurement Programme (NCMP).
- Further healthcare operations are provided through Grant-in-Aid procurement, to our Armed Forces Personnel posted around the world. This includes providing Health Visiting in Gibraltar and in Canada, where 137 people were supported in 2020. Health Visiting and Speech & Language Therapy was provided to SHAPE (Belgium), Naples (Italy) and AFNORTH (Netherlands) as well as Sennelager (Germany) and Kenya.
- In Brunei our midwifery service supported 73 pregnant women and provided postnatal support following 29 births, including supporting parents of three babies admitted to the Neonatal Intensive Care Unit.

As well as providing essential and highly valued support to the Armed Forces around the world, these commercial contracts are an important source of income for the Charity and the surplus revenue generated makes an important contribution to SSAFA's annual financial performance.

LEARNING AND DEVELOPMENT

All our volunteers and employees are provided with learning and development relevant to their roles within the organisation, to assist them in delivering the best support and service to our beneficiaries. Traditionally this training has been delivered face-to-face. The Covid-19 restrictions in place for the majority of 2020 meant we had to establish new forms of training delivery.

The introduction of our online training and modular approach to volunteer induction courses has given us more flexibility and more cost-effective training options. The virtual training delivery is also more accessible for our volunteers; reducing the amount of time and travel required, as well as being more flexible so that they can be trained in the comfort of their own home and work around any other caring responsibilities they may have.

As a result we have been able to continue to recruit and train new volunteers and new employees, ensuring that they receive the highest quality training so we can continue to provide effective, timely support to those who need it most. In 2020 1,646 volunteers attended different webinars, with 112 courses run last year including Mentoring, Remote Caseworker course, Mental Health First Aid, as well as investing in Equality and Diversity training.

MEASURING AND EVALUATING THE IMPACT OF OUR WORK

In line with the Charity's strategic plan demonstrating the impact of SSAFA's services provided to our beneficiaries is key in allowing us to better understand the needs of the Armed Forces community and their families.

SSAFA's approach to measurement of these outcomes begins with developing a theory of change for each support service, which allows us to identify those outcomes we wish to explore. This forms the basis for an evaluation plan where we develop or use existing validated tools to demonstrate how we have helped our beneficiaries. We do this using a range of methods including outcome measures, feedback surveys, qualitative and economic studies, as our approach depends on the individual service's need. SSAFA employs a continuous improvement approach when measuring impact. This allows us to not only measure success, but also learn how we can improve so that we continually develop our services to meet our beneficiaries' needs.

Where appropriate, SSAFA appoints external evaluators to measure the outcomes and impact of our services,

with methods including surveys, interviews and focus groups. For example, researchers from the University of Stirling and Glasgow Caledonian University are currently conducting an evaluation of our Glasgow's Helping Heroes, funded by Forces in Mind Trust (FiMT).

Exploring the impact of our services is of high priority to SSAFA. Therefore, we are undertaking a pilot using the Outcomes Star to measure the impact of our interventions at Glasgow's Helping Heroes.

OUR FOCUS ON COLLABORATIVE WORKING

At the heart of SSAFA are our beneficiaries – those that need our support. It is vital that we continue to develop our services to meet the current and future needs of the Armed Forces community. We need to adapt and evolve what we offer, as their needs change. We will continue to monitor and analyse these changing needs in the Forces family, refining what we deliver, so that it continues to service these unmet needs.

To ensure this is done in the right way, at the right time, we have launched our SSAFA@140 programme, which focuses on our internal organisational development and developing a sustainable future for our organisation. We want to create a consistent volunteer support network for SSAFA by successfully recruiting and training volunteers and employees, whilst ensuring the delivery of timely quality-assured support to our beneficiaries - wherever they are.

At the same time, we are working with and supporting the Confederation of Service Charities (Cobseo) to develop greater coherence and co-ordination of support with other military charities. We want to make certain that all beneficiaries get the best possible help in a timely, consistent manner so that our support services complement each other, rather than duplicate, those offered by other organisations.

MILITARY WIVES CHOIRS

The Military Wives Choirs Foundation (MWCF) is a registered subsidiary charity of SSAFA. There are nearly 2,000 women with a military connection in our 72 choirs in the UK and on British military bases abroad, including Cyprus, the Falkland Islands, Brunei and Riyadh. Our choirs are open to women from across the military community from 18 upwards, including wives, partners, serving personnel, veterans and mothers.

In early 2020, the MWCF was delighted to be part of the major motion picture Military Wives. Our network of 72

choirs feature in the final scene, and on the accompanying film soundtrack.

The Covid-19 pandemic has meant that all traditional musical activity for the choirs was cancelled from March 2020. However, the choirs demonstrated their versatility by embracing virtual music-making. Choirs came together via Zoom weekly, and for projects, including a network-wide, digital Christmas performance and a virtual Act of Remembrance.

In November 2020, the Military Wives Choirs released their single 'Abide with Me', in partnership with Westminster City Council, to mark the centenary of the Journey of the Unknown Warrior.

Throughout 2020, the Military Wives Choirs staff team of four have continued to support the choirs, provide guidance on rehearsing safely and providing training opportunities. The choirs' 72 volunteer committees, made up of choir members, have also continued to ensure that members can access the wellbeing, mental health and welfare benefits Military Wives Choirs membership brought during this difficult year.

RAISING OUR PROFILE

SSAFA wants to be the 'expert' voice for the issues faced by the military community and seen as a trusted, passionate, professional support network and service provider. We will aim to grow and improve our brand presence to assist beneficiaries seeking help, target volunteers and employees who want to work for the Charity and grow one-off donors into life-long supporters of SSAFA.

We need our multiple audiences and stakeholders to know who we are, what we do and how we can help. In 2020, in total we reached more than 688 million people across a variety of media communications platforms, both on and off-line. This included more than 2,950 pieces of coverage across the national and regional newspapers, broadcast outlets, as well as in consumer and military press.

SSAFA benefitted substantially from the national coverage of the 75th anniversary of VE Day on 8 May 2020 bank holiday weekend. Despite the lockdown, SSAFA's media activity for VE Day 75 was extensive and, as a result, the SSAFA brand was seen by over 100 million people over the course of the weekend.

FUNDRAISING FOR OUR WORK

In 2020, we raised £11.3 million from donations, grants, legacies, events and trading activities, of which £1.4 million was raised by volunteers in their local communities. The areas of fundraising most impacted by Covid-19 were our Challenge and Special Events. Three significant fundraising events – the VE Day 75 Concert at the Royal Albert Hall, RHS Chelsea Flower Show and the annual Defence Industry Charity Dinner were all cancelled or postponed, as were our summer events including Battle Proms and National Armed Forces Day in Scarborough.

However, in line with our strategic aims of long-term sustainability and collaborative working, SSAFA has found other sources of income to mitigate the losses brought by the pandemic and lockdown. Our Emergency Response Fund Appeal launched in April 2020 raised over £250,000 during the year, enabling us to provide crisis grants to those in urgent need of assistance and ensure our front-line services remained open. In addition, we secured significant Government funded Covid-related grants from the Department for Digital, Culture, Media and Sport and the Armed Forces Covenant Fund Trust totalling £750,000.

We have been humbled by the extraordinary generosity of our supporters throughout this challenging year. We extend a sincere thank you to all our donors: individual, corporate, grant-givers and commercial partners, as well as other collaborating organisations, for their support during 2020.

PARTICULAR THANKS GO TO:

- ABF The Soldiers' Charity
- Age UK
- Amey Defence Services
- Aramark Defence Services
- Armed Forces Covenant Fund Trust
- Army Central Fund
- BAE Systems
- Battle Proms
- Boeing UK
- Church of Scotland
- Department for Digital, Culture, Media and Sport
- ESS (Compass Group)
- Ferrovial
- Forces in Mind Trust
- Foreign, Commonwealth & Development Office
- Fujitsu
- Greenwich Hospital

- Hattons of London
- Landmarc
- LIBOR Fund
- Northrop Grumman
- QinetiQ
- Royal Air Force Benevolent Fund
- Royal Navy and Royal Marines Charity
- Sodexo
- SJH Group Limited
- The Barbara Naylor Charitable Trust
- The Michael Uren Foundation
- The National Lottery Community Fund
- The Syncona Foundation
- Thorntons

LOOKING TO THE FUTURE

The many impacts of Covid-19 will be with us for a long time, so close attention to ensuring financial sustainability is a priority for the Trustees and senior management team who will continue to closely monitor the impact of the crisis on our income, expenditure, fundraising and communications.

- We need to ensure that we continue to support our volunteers and employees, deliver outstanding services - both face-to-face and virtually - and strengthen our cross-sector collaboration. In 2021, we will be enhancing our support through the SSAFA@140 programme, which aims to future proof our vital work as we approach our 140th year of operation in 2025. The changes brought in under the SSAFA@140 programme include establishing regional hubs which will support our volunteer network and ease their administrative burden. It will ensure consistent, timely, quality assured service to all our beneficiaries wherever they are, whenever they need it, across our UK footprint and in locations worldwide.
- We need to meet the current and future, financial and social welfare needs faced by our serving and veteran communities. Many of these have been exacerbated and heightened by the impact of Covid-19 on our economy, society, and welfare services.
- We will continue to meet our contractual obligations to provide high-quality health and social care to the Armed Forces in the UK and overseas. We will respond to the reduction in contracted services income whilst maintaining our existing excellent standards of service, be creative in searching for solutions to fundraising activity in the Covid-19 reality and continue to be cost conscious.

- Investment in fundraising and supporter engagement is vital to SSAFA's future. We want to ensure we continue to raise awareness of our charity and our profile to drive external communications and generate the income needed in very challenging circumstances. We will still focus on our three communications objectives; raising awareness of the SSAFA brand and the different types of support we offer across the whole of the Armed Forces family, driving our fundraising and building our volunteer network through active recruitment.

FINANCIAL REVIEW

As required, the accounts have been prepared under Charity SORP (FRS 102). To meet the requirements of the Office of the Scottish Charity Regulator, a Statement of Activities (with supporting notes) has also been prepared for the Charity (as shown on page 23).

FINANCIAL OUTCOME

The Consolidated Statement of Financial Activities for the year show that there was an overall surplus in the year before actuarial gains of £2.8 million (2019: £3.1 million). This comprises a surplus on unrestricted funds of £2.2 million for the year (2019: £2.8 million) and a restricted fund surplus of £0.6 million (2019: £0.3 million).

Donations and legacies received in the year were £6.7 million (2019: £6.3 million) and £3.2 million (2019: £2.4 million) respectively. The costs of raising voluntary income were £756 thousand (2019: £757 thousand).

The branches continue, through their volunteer network, to raise significant funds of £10.4 million (2019: £13.2 million) from service and other charities to assist a wide variety of Forces-related individuals in need. At 31 December 2020, £1.6 million (2019: £1.9 million) was being held for unallocated grants for imminent distribution to the individuals for whom the funds were raised.

Health and welfare activities contributed £1.7 million (2019: £2.1 million) to the Group. This includes the activities of SSAFA Family Health Services, which is responsible under contract to the MOD for the delivery of health services, and until June 2020 for personal support and social care services in Cyprus. The group continues to provide the RAF Personal Support and Social Work Services in the UK. The principal Germany contract was provided under sub-contract to the Group's joint venture, SSAFA GSTT Care LLP and the contract expired in September 2020. Whilst income and

expenditure decreased significantly, the margin reflects improved cost-management initiatives.

The pension fund deficit has increased by £15.4 million to £17.1 million at the balance sheet date. Changes in the valuation reflect a decrease in discount rate used to calculate the present value of fund liabilities to 1.3% (2019: 2.1%) offset against the lower return on investments experienced particularly around year end due to the economic climate and does not involve an outflow of cash.

SIGNIFICANT EVENTS

Covid-19 has resulted in a significant fall in some sources of income, notably fundraising events which have had to be cancelled. The Charity has however secured funding from government grants to assist our clients (see p7).

The expiry in September 2020 of our commercial contract to supply healthcare services to serving personnel and their families in Germany has brought to an end a long-term source of funds to support our clients. This change is one of the significant factors driving the Charity's strategic aims set out above and the reserves policy below.

INVESTMENT POLICY

SSAFA's investment policy is to produce the best financial return within an acceptable level of risk. The investment objective is to generate a return in excess of inflation over the long term whilst generating an income to support the ongoing activities of SSAFA branches. SSAFA has a broad range of income sources that would allow it to continue with its activities were markets to fall. The key long-term risk is inflation, and the investment assets are invested to mitigate this risk. The Trustees understand that this is likely to mean that investment will be concentrated in real assets (equities and property) and that therefore the capital value will fluctuate. As a result they are prepared to take more than a moderate amount of risk. SSAFA's investment assets can be invested widely and be diversified by asset class and by security. Asset classes can include cash, bonds, equities, property, hedge funds, structured products, private equity, commodities and any other asset that is deemed suitable as defined by the Charity Commission in CC 14. The Investment Policy has no ethical restrictions.

The majority of SSAFA's funds are invested in the Armed Forces Charity Authorised Investment Fund, a fund specifically designed for service and ex-service charities. The objective of the fund is to achieve long-term growth of both capital and income.

Performance of the fund is measured against a benchmark constructed to represent a balanced portfolio of investments comprising UK and global equities, property and UK and overseas bonds. In 2020, the fund recorded a total return of 9%, which was above the benchmark. Dividends for the year were maintained at 7.9p per unit.

RESERVES POLICY

Taking into account the long-term strategic plan that the Trustees agreed in 2018 and the analysis carried out since on the financial demands of providing a modern service that meets the needs of all stakeholders, the Trustees have agreed that the Charity needs to sustain its current level of reserves in real terms. This is made all the more necessary given the current crisis and pressures on income from the unavoidable decline in health and social care contracts. The Charity's reserves underwrite the day-to-day operation of the branch network as well as the many other capabilities SSAFA provides to its beneficiaries. The reserves are held in a combination of investment properties, listed investments and cash. The Trustees currently forecast that reserves will be used to cover annual deficits for the next five years if other sources of income do not increase to meet the rising costs of serving our beneficiaries' needs. The Reserves Policy of sustaining current levels in real terms means, after completing the new strategy, that the Charity's reserves should be able to fund annual core running costs in a crisis, as they will do in 2021. To do otherwise would put at risk the existence of the Charity. The Trustees have learnt from other charities that have not had a sustainable business model and not had sufficient reserves to maintain, over the long term, the vital service they deliver to their clients, many of whom have long-term needs, when income falls.

- At 31 December 2020, the Charity held total funds of £41.9 million (2019- £53.8 million).
- At 31 December 2020 the Charity held restricted funds not available for general purposes of £7.5 million (2019 - £7.0 million). This includes fixed assets of £308,000 (2019- £311,000).

- At 31 December 2020 the Charity held designated funds of £1.6 million (2019 - £1.7 million) for use as and when qualifying need arises.
- At 31 December 2020, the level of unrestricted reserves which were not represented by fixed assets was 1.3 years' of running costs (2019: 1.25 years).
- At 31 December 2020, the unrestricted general reserves (which include designated funds) that were not represented by fixed assets amounted to £25.1 million (2019: £35.8 million) including the pension deficit of £17.1 million (2019 - £1.7 million).

GRANT MAKING

Assistance from the unrestricted funds may be used only to relieve the need, suffering and distress of those eligible for our help, as described in the Objects of SSAFA. The Regulations of SSAFA do not permit our funds to be used for gifts, grants or subscriptions to charities, hospitals, schools or other funds, societies or institutions.

FUNDRAISING POLICIES

SSAFA carries out its core fundraising activities through a dedicated team of paid professional fundraisers managed from its London office, and through registered volunteers who engage in small-scale fundraising activities to help support branch-level activities.

SSAFA's central fundraising team generates income through a mix of grant, donation, contract, sponsorship and commercial activities. It also oversees branch-level fundraising activities and provides support, training and guidance to its volunteer fundraisers to ensure that the Fundraising Code is followed and that best practice and legal fundraising standards are applied consistently across the organisation.

As part of its activities to recruit individual supporters through payroll giving schemes, SSAFA engages three specialist Professional Fundraising Organisations (PFOs) to represent the charity. All such agreements are subject to legal contract, including how data is collected, stored, processed and shared.

SSAFA's merchandise and trading activities are managed through SSAFA Forces Help Enterprises Limited. Sponsorship and/or cause-affiliated marketing partnerships are managed through commercial participation agreements.

DATA PROCESSING POLICY

Since implementation of General Data Protection Regulations in May 2018, SSAFA has updated its data processing policies to ensure that it is fully compliant in the processing and sharing of personal data. Data sharing agreements are now in place with third-party partner organisations who support SSAFA's fundraising activities. SSAFA's policies relating to GDPR are reflected in the Data Privacy Notice that is included in all direct communications with supporters and beneficiaries, as well as the Privacy Policy which is displayed on SSAFA's website (www.ssafa.org.uk/privacy). In addition to having signed up for the Fundraising Preference Service, SSAFA also maintains its own suppression list. All volunteers and employees are mandated to complete training on GDPR. SSAFA (The Soldiers', Sailors', Airmen's and Families' Association - Forces Help) is fully registered with the Fundraising regulator, and no complaints were made during the year

STRUCTURE, GOVERNANCE AND MANAGEMENT GOVERNING DOCUMENT

SSAFA The Soldiers', Sailors', Airmen's and Families' Association - Forces Help was established in 1885 under Royal Charter. SSAFA's Charter and Rules and Regulations were extensively revised in 2013 and approved by Council in January 2014. The Charter allows the Trustees to establish Regulations for the day-to-day management of the Charity. SSAFA is registered as a charity in England and Wales (Number 210760) in Scotland (Number SCO38056), in the Republic of Ireland (Number 20002021) and in Gibraltar (Number 149).

TRUSTEE INDUCTION AND TRAINING

Regulations require that each Trustee attends an introductory briefing. Each Trustee must attend formal annual training including GDPR, Safeguarding and Diversity & Inclusion.

MANAGEMENT PAY

The Vice Chairman's Committee is responsible for reviewing and deciding any salary increases applicable to all employees including all levels of management. The Charity does not operate a performance related salary or bonus scheme. Any proposed changes to management pay will consider the remuneration of comparable internal roles and external roles in similarly sized charities.

In 2020 SSAFA's annual gender pay gap report revealed that the median gender pay gap is just 1.73%, the national average is 15.5.% (2020 ONA ASHE). In April 2017 SSAFA's median gender pay gap was at 13.6%. Interventions over the past four years have reduced the difference in pay between male and female staff at the Charity to achieve the considerably lower 1.73% figure for 2020.

SUBSIDIARY CHARITIES

The Charity has three subsidiary Charities: The Royal Homes, regulated under a Charity Commission Scheme in 1998; the Aircrew Association Charitable Fund, regulated under a Charity Commission Scheme in 2012 and The Military Wives Choirs Foundation, which was established on 30 May 2012 as a private charitable company limited by guarantee, Company Number 08089745, Registered Charity Number 1148302 and in Scotland, Charity Number SC045217. The Royal Homes and the Aircrew Association Charitable Fund are administered as part of SSAFA as a result of these schemes, and their results are included within the results of the Charity. The Military Wives Choirs Foundation is a subsidiary of SSAFA and prepares its own annual financial statements which are not included in SSAFA's charity accounts but are consolidated within the Group financial statements together with the results of the Charity's three commercial subsidiaries.

SSAFA OPERATIONAL ENTITIES

Under the authority of Council, SSAFA operates three subsidiary companies and one Limited Liability Partnership. Each company is run for the benefit of the Charity by paid employees who fill the key posts of Managing Director, Finance Director and Company Secretary, and includes Trustees as additional external members of the Board. Each Company and the Limited Liability Partnership report as required to Companies House.

Details of the Companies and the Limited Liability Partnership are given below:

- SSAFA Family Health Services, a company limited by guarantee not having a share capital, Registered Number 3137764, was established to provide community health, social work and other services for the Armed Forces worldwide.
- SSAFA Forces Help Enterprises Limited, a company limited by shares, Registered Number 2493614, was established as a trading company to sell Christmas

cards and other merchandise, and enter into other noncharitable commercial arrangements.

- SSAFA CMS Limited, a company limited by shares, Registered Number 11148036, was established to develop and maintain “CMS” a software tool for use by the majority of military charities for managing casework within the military charity sector.
- SSAFA GSTT Care LLP, an LLP, Registered Number OC333462, is equally owned by SSAFA Family Health Services and Guy’s and St Thomas’ NHS Foundation Trust. The LLP was formed to provide health services to the MOD via a contract which expired in September 2020. In April 2021 the LLP was put into a members’ voluntary liquidation.

OTHER CHARITABLE JURISDICTIONS

In order to operate in Scotland, SSAFA has been registered with the Office of the Scottish Charity Regulator Register of Charities under number SC038056. In order to operate in Gibraltar, SSAFA has been registered with the Charity Commissioners for Gibraltar Register of Charities under number 149. In order to operate in the Republic of Ireland, SSAFA has been registered with the Charities Regulator under number 20002021.

RISK MANAGEMENT

The Controller’s Management Board meets monthly and reviews the Risk Register to ensure compliance. The Risk Committee reviews the Risk Management Policy and Register at each meeting. Areas of significant risk are reported to Council at each meeting. Council then seeks assurance from the Controller that all mitigating action is being or has been taken. In addition, Council formally approved the appointment of Mazars LLP as internal auditors and agreed a risk-focused internal audit plan with them, covering a variety of areas (including finance) across the organisation. The reviews have identified that financial sustainability is the main financial risk for both the Charity and its subsidiaries.

PRINCIPAL RISKS AND UNCERTAINTIES ARE MANAGED BY:

- having detailed financial planning and processes in place to ensure oversight and ongoing monitoring of the financial position;
- detailed contract planning. A principal financial risk facing the Charity’s subsidiary, SSAFA Family Health Services, is related to the expiry of the contract with the MOD to provide healthcare to HM Forces in Germany following the drawdown of personnel back to the UK. The Company’s Board is monitoring the situation and continuing to look for new opportunities;
- the impact of the Covid-19 crisis. Trustees consider that the Charity is well-placed to face the challenges posed by the crisis, and has taken measures such as securing a loan facility through the Coronavirus Business Interruption Loan Scheme, taking advantage of the Coronavirus Job Retention Scheme and reduction of some staff hours. Whilst fundraising income has been impacted, a significant element of the group’s income derives from contracts to the MOD which are unaffected.
- ensuring that branches’ and committees’ volunteers have appropriate financial and other training and support available to them to aid them with the raising, recording, monitoring and the distributing of funds in delivering assistance to SSAFA’s many beneficiaries.

The Group has some transaction and currency exchange rate risk given its international spread of activities. The objective of the Group in managing its liquidity risk is to ensure that it can meet its liabilities when they fall due. The Group expects to meet its financial obligations through operating cash flows. In the event that operating cash flows would not cover all the Group’s financial obligations, Council is comfortable that suitable credit facilities are available.

The Group may offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. Certain Group entities are subject to a risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by strong on-going customer relationships.

Council is content that measures are in hand to manage and minimise all significant risks.

AUDITOR

Trustees believe it is good practice to re-evaluate their professional advisers periodically but have also informed Moore Kingston Smith LLP that its proposals to be re-appointed will be welcomed.

TRUSTEES’ RESPONSIBILITIES STATEMENT

The Trustees are responsible for preparing the annual Trustees’ Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 and regulations made thereunder, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 1962-12 (Gibraltar) and the Charities Act 2009 (Republic of Ireland) require the Trustees to prepare financial statements for each financial year.

The Trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the Group, and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period.

In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity’s and Group’s transactions, and disclose with reasonable accuracy at any time the financial position of the Charity and the Group and enable them to ensure that the financial statements comply with the Charities Act 2011 and regulations

made thereunder, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity (Accounts and Reports) Regulations 2008, the Charities Act (Gibraltar) 1962-12, the Charities Act 2009 (Republic of Ireland) and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and the Group and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Approved by Council on 22 June 2021

And signed on 22 June 2021 by

INDEPENDENT AUDITOR'S REPORT

To the Trustees of The Soldiers', Sailors', Airmen's and Families' Association – Forces Help (SSAFA)

OPINION

We have audited the financial statements of SSAFA, the Armed Forces charity (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Group Statement of Financial Activities, the Charity Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2020 and of the group's and parent charity's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

BASIS FOR OPINION

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

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

have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' annual report.

We have nothing to report in respect of the following matters where the Charities Act 2011 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements;
- the parent charity has not kept sufficient and proper accounting records;
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or parent 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 sections 151 of the Charities Act 2011 (England and Wales), 50 of the Charities Act 2009 (Republic of Ireland) and 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

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 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.

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the parent charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charity’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the group or parent charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

USE OF OUR REPORT

This report is made solely to the Charity’s Trustees, as a body, in accordance with Section 154 of the Charities Act 2011, Section 50(1) of the Charities Act 2009 (Republic of Ireland), and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity’s Trustees those matters we are required to state to them in an 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Date: 24 June 2021

Moore Kingston Smith LLP

Statutory Auditor

Date: June 2021

Devonshire House

60 Goswell Road

London

EC1M 7AD

Moore Kingston Smith LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Unrestricted Funds 2019 £'000	Restricted Funds 2019 £'000	Total 2019 £'000
INCOME FROM:							
Donations and legacies	1	7,043	2,872	9,915	6,913	1,809	8,722
Charitable activities							
Contributions — Service/other charities	2	-	10,441	10,441	-	13,188	13,188
Health and welfare	2	8,799	575	9,374	14,887	654	15,541
Care and accommodation	2	452	500	952	620	516	1,136
Adoption services	2	328	-	328	368	-	368
Total charitable activities		9,579	11,516	21,095	15,875	14,358	30,233
Other trading activities							
Fundraising activities		960	26	986	2,365	10	2,375
Commercial activities		438	-	438	413	-	413
Total trading activities		1,398	26	1,424	2,778	10	2,788
Investments	3	1,556	82	1,638	1,542	113	1,655
Other income	4	407	-	407	1,287	-	1,287
Total income		19,983	14,496	34,479	28,395	16,290	44,685
EXPENDITURE ON:							
Raising funds							
Fundraising activities	5	1,626	-	1,626	2,283	-	2,283
Raising voluntary income	5	756	-	756	757	-	757
Other trading activities	5	95	-	95	119	-	119
Total raising funds		2,477	-	2,477	3,159	-	3,159
Charitable activities							
Supporting clients	5	7,498	12,684	20,182	10,432	14,855	25,287
Health and welfare	5	7,125	524	7,649	12,818	609	13,427
Care and accommodation	5	1,412	535	1,947	1,800	521	2,321
Adoption services	5	382	250	632	463	274	737
Total cost of charitable activities		16,417	13,993	30,410	25,513	16,259	41,772
Total expenditure		18,894	13,993	32,887	28,672	16,259	44,931
Net gains on investments	10	1,070	124	1,194	3,062	340	3,402
Net income before fund transfers		2,159	627	2,786	2,785	371	3,156
Transfer between funds	15	51	(51)	-	45	(45)	-
Other recognised gains and losses							
Actuarial (losses)/ gains on defined benefit pension	21	(14,661)	-	(14,661)	4,391	-	4,391
Net movement in funds		(12,451)	576	(11,875)	7,221	326	7,547
RECONCILIATION OF FUNDS							
Total funds brought forward	15	46,806	6,952	53,758	39,585	6,626	46,211
Total funds carried forward	15	34,355	7,528	41,883	46,806	6,952	53,758

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Unrestricted Funds 2019 £'000	Restricted Funds 2019 £'000	Total 2019 £'000
INCOME FROM:							
Donations and legacies	1	8,876	2,605	11,481	8,335	1,780	10,115
Charitable activities							
Contributions — service/other charities	2	-	10,441	10,441	-	13,188	13,188
Health and welfare	2	-	575	575	-	654	654
Care and accommodation	2	452	500	952	620	516	1,136
Adoption services	2	328	-	328	368	-	368
Total charitable activities		780	11,516	12,296	988	14,358	15,346
Other trading activities — Fundraising		942	24	966	2,326	10	2,336
Investments	3	1,555	82	1,637	1,540	113	1,653
Other income	4	6,027	-	6,027	11,375	-	11,375
Total income		18,180	14,227	32,407	24,564	16,261	40,825
EXPENDITURE ON:							
Raising funds							
Fundraising activities	5	1,623	-	1,623	2,243	-	2,243
Raising voluntary income	5	753	-	753	754	-	754
Total raising funds		2,376	-	2,376	2,997	-	2,997
Charitable activities							
Supporting clients	5	6,862	12,584	19,446	9,070	14,789	23,859
Health and welfare	5	1,369	524	1,893	1,226	609	1,835
Care and accommodation	5	1,410	535	1,945	1,799	521	2,320
Adoption services	5	380	250	630	462	274	736
Total cost of charitable activities		10,021	13,893	23,914	12,557	16,193	28,750
Other expenditure	5	4,817	-	4,817	9,300	-	9,300
Total expenditure		17,214	13,893	31,107	24,854	16,193	41,047
Net gains on investments	10	1,070	124	1,194	3,062	340	3,402
Net income before fund transfers		2,036	458	2,494	2,772	408	3,180
Transfers between funds	15	51	(51)	-	45	(45)	-
Other recognised gains and losses							
Actuarial (losses)/gains on defined benefit pension	21	(14,661)	-	(14,661)	4,391	-	4,391
Net movement in funds		(12,574)	407	(12,167)	7,208	363	7,571
RECONCILIATION OF FUNDS							
Total funds brought forward	15	46,535	6,919	53,454	39,327	6,556	45,883
Total funds carried forward	15	33,961	7,326	41,287	46,535	6,919	53,454

The Charity Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

CONSOLIDATED GROUP AND CHARITY BALANCE SHEETS

FOR THE YEAR ENDED 31 DECEMBER 2020

As at 31 December	Notes	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
FIXED ASSETS					
Tangible assets	11	9,530	11,293	9,529	11,293
Investments	12	38,353	34,804	38,363	34,814
Investment in joint venture	12	3	2	-	-
Total fixed assets		47,886	46,099	47,892	46,107
CURRENT ASSETS					
Debtors	13	4,027	2,887	4,049	2,993
Stock		42	38	-	-
Cash at bank and in hand		10,863	10,794	9,966	9,697
		14,932	13,719	14,015	12,690
Creditors: Amounts falling due within one year	14	(3,849)	(4,354)	(3,534)	(3,637)
Net current assets		11,083	9,365	10,481	9,053
Net assets excluding pension liability		58,969	55,464	58,373	55,160
Defined benefit pension scheme liability	21	(17,086)	(1,706)	(17,086)	(1,706)
NET ASSETS	16	41,883	53,758	41,287	53,454
FUNDS					
Unrestricted funds — general	15	49,813	46,845	49,419	46,574
Unrestricted funds — designated	15	1,628	1,667	1,628	1,667
Unrestricted funds — pension reserve	15	(17,086)	(1,706)	(17,086)	(1,706)
Total unrestricted funds	15	34,355	46,806	33,961	46,535
Restricted funds	15	7,528	6,952	7,326	6,919
TOTAL FUNDS	15	41,883	53,758	41,287	53,454

Approved by Council on 22 June 2021 and signed on 22 June 2021 by:

Lt General Sir Gary Coward KBE CB
Chairman

Mr David Rowe
Honorary Treasurer

The accompanying accounting policies and notes on pages 26 to 48 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £'000	2019 £'000
Net cash used in operating activities	A	(849)	(2,165)
Cash flows from investing activities			
Dividends, interest and rents from investments	3	1,638	1,655
Purchase of tangible fixed assets	11	-	(58)
Proceeds on disposal of fixed assets		1,635	3,012
Purchase of investments	12	(3,505)	(5,500)
Proceeds from sale of investments	10,12	1,150	-
Net cash used in investing activities		918	(891)
Change in cash and cash equivalents in the year		69	(3,056)
Cash and cash equivalents at 1 January 2020		10,794	13,850
Cash and cash equivalents at 31 December 2020		10,863	10,794

Notes to the Consolidated Statement of Cash Flows

A. Reconciliation of net expenditure to net cash flow from operating activities

		2020 £'000	2019 £'000
Net income for the year		2,786	3,156
Adjustments for:			
Depreciation	11	192	185
Profit on disposal of fixed assets	4	(64)	(1,280)
Gains on investments	12	(1,194)	(3,402)
Dividends, interest and rents from investments		(1,638)	(1,655)
Increase in stock		(4)	(2)
Decrease in creditors	14	(505)	(675)
Pension contributions		(568)	(1,260)
Change in pension liability	21	1,286	1,854
(Increase)/decrease in debtors	13	(1,140)	914
Net cash used in operating activities		(849)	(2,165)

	2020 £'000	2019 £'000
B. Analysis of cash and cash equivalents		
Cash at bank and in hand	10,863	10,794

The group has no net debt and therefore no net debt note is presented.

PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies are summarised below

BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) second edition issued October 2019 and the Financial Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) second edition issued October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared in the Group's functional currency, Sterling (£) and are stated in £'000s.

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

BASIS OF CONSOLIDATION

The financial statements consolidate those of the Charity, its subsidiary undertakings and its shares in joint ventures drawn up to 31 December each year. The results and balance sheets of the subsidiaries controlled by the Charity have been consolidated on a line by line basis. Control is achieved where the Charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Branch and committee accounts (including those overseas) have been included in the Charity's and

consolidated financial statements on a receipts and payments basis but adjusted for any accruals or prepayments where material.

CHARITY STATEMENT OF CASH FLOWS

The Trustees have taken the exemption available under Para 1.11 of FRS 102 not to present a separate Charity Statement of Cash Flows.

GOING CONCERN

The financial statements have been prepared on the basis that the Charity is a going concern. The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The Trustees accept the legal necessity to include the long-term FRS 102 defined pension scheme liability within the financial statements. The Charity had £51.4 million in unrestricted funds at 31 December 2020, excluding the FRS 102 pension liability. The Trustees therefore consider that the Charity has adequate resources to sustain operations for the foreseeable future.

The Trustees have considered the impact of the Covid-19 crisis on the future of the Charity. Whilst fundraising income has suffered as a result, the Charity has taken steps to ensure it can continue to serve its beneficiaries including taking advantage of the Coronavirus Job Retention Scheme and securing a loan facility through the Coronavirus Business Interruption Loan Scheme. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The consolidated financial statements include the Group's share of the income and net assets of a joint venture operated through a limited liability partnership which exists for the performance of a contract which expired in 2020.

INCOME

All income whether restricted or unrestricted is recognised in the Consolidated Statement of Financial Activities when the Group has entitlement to the funds, the amount can be quantified reliably and it is probable that the income will be received.

Donations and other income generated from fundraising are recognised gross on a receivable basis. In the event that the donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and gifts in kind are recognised as income when the Charity has control over the item or service, any conditions associated have been met, the receipt of economic benefit from the use by the Charity is probable and when economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the time of the Charity's many volunteers is not recognised. However, refer to the annual Trustees' Report for details of their substantial contribution to the Charity.

Legacies are recognised once the receipt of the legacy becomes probable and quantifiable. Pecuniary legacies are usually recognised at the point that probate is granted. For residuary legacies, this will usually be at the earlier of cash receipt or when confirmation has been received from the representatives of the estates that payment will be made or property will be transferred and once all the conditions attaching to the legacies have been fulfilled. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material (see note 17).

Investment income is recognised when receivable.

Grants receivable from service funds and other charities for specific cases, which have not been almonised at the end of the year, are accrued and included as current liabilities. These amounts will be paid in the following year or returned to the relevant providers.

Income generated from providing health services to the NHS arises from a number of fixed-term contracts for which income is recognised as earned.

Fundraising income arises from a mixture of events and activities undertaken on a central and branch-wide basis and is recognised when receivable.

Health and welfare includes income generated from the provision of health and social care services to British

Forces personnel and their dependants around the world. In calculating revenue on contracts, the Group makes certain estimates in respect to the compliance with performance-related indicators which the contracts are subject to. A different assessment may result in a different value being determined for revenue.

Care and accommodation income is generated through the provision of these services to the Charity's beneficiaries at a number of residential homes and cottages held by the Charity, and income from residential fees and other services is recognised when the income has been earned.

Adoption income arises through the provision of an adoption agency service for placing children with military families and is recognised when placements have been secured.

Other income includes government grants of £324,000 received in respect of furloughed employees under the Coronavirus Job Retention Scheme.

EXPENDITURE AND THE BASIS OF ALLOCATION OF COSTS

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings within the costs of raising funds and charitable activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity.

Costs of raising funds are those incurred in attracting voluntary income (including through the holding of events, appeals and other fundraising initiatives), and those incurred in generating income from trading activities.

COSTS OF CHARITABLE ACTIVITIES INCLUDE THE FOLLOWING:

Grant payments made to or on behalf of individuals in the furtherance of the Charity’s charitable object.

Grant-aided activities relate to costs associated with providing health and social care services to British Forces personnel and their dependants in far commands.

Health and welfare expenditure includes the direct costs of the welfare department at central office, with allocated communication and marketing costs, volunteer support costs (including training), branch and committee case work costs and branch office and staff costs in the provision of advice and assistance to those in need. This expenditure relates to the core services to British Forces personnel and their dependents around the world. Direct expenditure incurred in the Charity’s subsidiary, The Military Wives Choirs Foundation, is also included within this category of expenditure.

Care and accommodation expenditure primarily relates to the running costs of the Charity’s homes and other accommodation, and the care services provided to the Charity’s beneficiaries therein.

Adoption expenditure relates to staff and sessional staff costs together with departmental running costs and facilitation of the Adoption Panel.

Support costs include central functions, such as management, finance, human resources and information technology. Governance costs are those associated with running the Charity, including Council and Committee expenses, audit and other costs associated with constitutional and statutory

requirements. Support and governance costs are allocated across the categories of costs on the basis of staff numbers engaged in the activities therein as shown in note 6. The administrative charges for the provision of grant-aided activities and the provision of health and welfare services are calculated in accordance with the contractual agreements and directly charged to the relevant cost categories.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets (excluding investment properties) are stated at cost and depreciated in equal instalments from either the date of purchase or the date brought into use at the following rates:

Land	Nil
Freehold buildings	50 years
Long leasehold buildings	50 years
Furniture and fittings	5 years
IT equipment	3 years
Motor vehicles down to 10%	Over 3 years

Additions to furniture, fittings and IT equipment valued at less than £2,000 are fully written off as revenue expenditure in the year of purchase unless they form part of a larger-scale project.

INVESTMENT PROPERTIES

Investment properties for which fair value can be measured reliably on an ongoing basis are measured at fair value annually with any change being recognised in the Consolidated Statement of Financial Activities.

IMPAIRMENT OF ASSETS

At each year end, fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared to its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of Financial Activities.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Financial Activities.

INVESTMENTS

Listed investments are included at bid price (which is deemed to be market value) at the balance sheet date and the Consolidated Statement of Financial Activities shows net investment gains and losses arising from revaluation of the investment portfolio and disposals during the year. Realised gains and losses on investments are calculated as the difference between the sales proceeds and their market value at the start of the year or their subsequent cost and are charged or credited to the Statement of Financial Activities in the year of disposal. Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on market value at the year end.

Investments in subsidiaries are held at cost less impairment in the individual Charity financial statements.

Entities in which the Group holds an interest and which are jointly controlled by the Group and one or more other ventures under a contractual arrangement are treated as joint ventures. In the Group financial statements, joint ventures are accounted for using the equity method.

Joint ventures are recognised initially in the Consolidated Statement of Financial Activities at the transaction price, and subsequently adjusted to reflect the Group’s share of total comprehensive income and equity of the joint venture, less any impairment. Losses in excess of the carrying amount of an investment in a joint venture are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the joint venture.

FINANCIAL INSTRUMENTS

Both Group and Charity have only financial assets and financial liabilities of a kind that qualify as basic financial instruments.

DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

CREDITORS AND PROVISIONS

Short term trade creditors are measured at the transaction price, other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using an appropriate discount rate. The unwinding of the discount is recognised as a finance cost in the surplus or deficit in the period it arises.

FUNDS ACCOUNTING

Unrestricted funds

General funds are unrestricted funds that are available for use at the discretion of Council in furtherance of the objectives of the Charity.

Designated funds are unrestricted funds set aside at the discretion of Council for specific purposes. Details of designated funds held are given in note 15.

A pension reserve is shown separately within unrestricted funds to reflect the long-term, non-liquid nature of the pension liability.

Restricted funds

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose and the restriction means that the related funds can only be used for the specific activities. Details of restricted funds held are given in note 15.

Except for The Royal Homes fund, no interest on cash balances is allocated to restricted funds, and no overheads or support costs are allocated except where material costs are incurred by a specific fund. Interest earned on restricted funds and most overhead and support costs if reasonably allocated are considered to be of low value. For both unrestricted and restricted funds, both the income and any investment gain or loss have been allocated to the individual funds holding the investment.

Any Gift Aid recovered on donations is treated as part of the related gift in either unrestricted or restricted funds respectively, unless the donor or the terms of the appeal have specified otherwise.

OPERATING LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership of the leased assets to the Group. All other leases are classified as operating leases. Rentals payable under operating leases are charged to the Consolidated Statement of Activities on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Group recognises annual rent expense equal to amounts owed to the lessor.

FOREIGN CURRENCY

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purposes of the consolidated financial statements, the results and financial position are presented in Sterling (£).

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates to the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of the historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the Consolidated Statement of Financial Activities in the period in which they arise.

CONTRIBUTIONS TO PENSION SCHEMES

The Group operates a defined benefit pension scheme that requires contributions to be made to a separately administered fund.

Scheme assets are measured at fair values. Scheme liabilities are measured annually on an actuarial basis using the projected unit method, and are discounted at appropriate high-quality corporate bond rates of equivalent currency and term of the scheme liabilities. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the Group.

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised over the period in which the benefit changes vest.

Interest on the scheme liabilities and the expected return on scheme assets are included in net interest payable.

The discount rate for the liabilities and the expected return on the assets is the same and is based on yield curve of high-quality corporate bonds.

Actuarial gains and losses are reported as recognised gains and losses in the Consolidated Statement of Financial Activities.

The Group also operates defined contribution schemes which are multi-employer schemes for which the assets and liabilities cannot be identified separately for the Group members. Pension costs charged in the Consolidated Statement of Financial Activities represent the contributions payable by the Group in the year.

TAXATION

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable object.

Corporation tax is chargeable on the profits generated by the subsidiary companies. These liabilities are recorded in the subsidiary company financial statements and relief against liabilities claimed on distribution of the profits to the parent charity.

Irrecoverable value-added tax is allocated to the category of expenditure to which it relates.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described above, Council are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

NHS defined benefit pension scheme

The Group does not have sufficient information to account reliably for its share of the defined benefit obligation and plan assets and has therefore accounted for the scheme as a defined contribution scheme.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Accrued legacy income

The Group adopts a prudent approach to accounting for legacies to which it is entitled but which have not been realised as cash. For those legacies where there is uncertainty surrounding the measurement of the assets due to a lack of estate accounts no provision is made. Where estate accounts exist but include properties which are not . All estate values are estimated net of administration fees of 5% (2019- 5%).

Defined benefit pension

The Charity estimates the pension liabilities to the members of the defined benefit local government scheme based on assessments set to market conditions at the year end. The estimates are sensitive to the discount rates and life expectancy assumptions. A discount rate change of 0.1% would result in a change in the valuation of the liability of £2 million and a 1 year change in the life expectancy would result in a change of £5 million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000
1. DONATIONS AND LEGACIES						
Group						
Donations	3,838	2,871	6,709	4,566	1,778	6,344
Legacies	3,205	1	3,206	2,347	31	2,378
	7,043	2,872	9,915	6,913	1,809	8,722
Charity						
Donations	5,671	2,604	8,275	5,988	1,749	7,737
Legacies	3,205	1	3,206	2,347	31	2,378
	8,876	2,605	11,481	8,335	1,780	10,115

The Charity received donations from its subsidiary companies of £2,473,000 in respect of 2020 results (2019: £2,770,000).

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000
2. INCOME FROM CHARITABLE ACTIVITIES						
Group						
Contributions from services and charities for individuals	-	10,441	10,441	-	13,188	13,188
Community health and social services — UK and overseas	-	575	575	-	654	654
Health and welfare contracts incl share of joint venture	8,799	-	8,799	14,887	-	14,887
Group health and welfare	8,799	575	9,374	14,887	654	15,541
Care and accommodation contributions						
Stepping Stone Homes	239	-	239	222	-	222
Residential homes and cottages	126	-	126	310	-	310
Homes from Home	-	-	-	3	-	3
Royal Homes	-	500	500	-	516	516
Other	87	-	87	85	-	85
Group care and accommodation contributions	452	500	952	620	516	1,136
Adoption income	328	-	328	368	-	368
Total income from charitable activities	9,579	11,516	21,095	15,875	14,358	30,233
Charity						
Contributions from services and charities for individuals	-	10,441	10,441	-	13,188	13,188
Community health and social services — UK and overseas	-	575	575	-	654	654
Care and accommodation contributions						
Stepping Stone Homes	239	-	239	222	-	222
Residential homes and cottages	126	-	126	310	-	310
Homes from Home	-	-	-	3	-	3
Royal Homes	-	500	500	-	516	516
Other	87	-	87	85	-	85
Charity care and accommodation contributions	452	500	952	620	516	1,136
Adoption income	328	-	328	368	-	368
Total income from charitable activities	780	11,516	12,296	988	14,358	15,346

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000
3. INCOME FROM INVESTMENTS						
Group						
Listed investments	886	82	968	739	113	852
Bank deposits and unquoted investments	1	-	1	42	-	42
Rental income	669	-	669	761	-	761
Total investment income	1,556	82	1,638	1,542	113	1,655
Charity						
Listed investments	886	82	968	739	113	852
Bank deposits and unquoted investments	-	-	-	40	-	40
Rental income	669	-	669	761	-	761
Total investment income	1,555	82	1,637	1,540	113	1,653

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000
4. OTHER INCOME						
Group						
Disposal of fixed assets	64	-	64	1,280	-	1,280
Coronavirus Job Retention Scheme	324	-	324	-	-	-
Other income	19	-	19	7	-	7
Total other income	407	-	407	1,287	-	1,287
Charity						
Disposal of fixed assets	64	-	64	1,280	-	1,280
Management charges to subsidiary undertakings	837	-	837	795	-	795
Salary charges recharged to subsidiary	4,827	-	4,827	9,300	-	9,300
Coronavirus Job Retention Scheme	299	-	299	-	-	-
Total other income	6,027	-	6,027	11,375	-	11,375

	Activities undertaken directly £'000	Support costs (see note 6) £'000	Total 2020 £'000	Total 2019 £'000
5. EXPENDITURE				
Group				
Raising funds				
Fundraising activities	1,569	57	1,626	2,283
Raising voluntary income	72	684	756	757
Other trading activities	95	-	95	119
	1,736	741	2,477	3,159
Charitable activities				
Supporting clients	17,978	2,204	20,182	25,287
Provision of 'Grant Aided' activities	494	30	524	609
Health and welfare	6,303	822	7,125	12,818
Care and accommodation	1,530	417	1,947	2,321
Adoption services	423	209	632	737
	26,728	3,682	30,410	41,772
Total resources expended	28,464	4,423	32,887	44,931

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

5. EXPENDITURE Cont.	Activities undertaken directly £'000	Support costs (see note 6) £'000	Total 2020 £'000	Total 2019 £'000
Charity				
Raising funds				
Fundraising activities	1,566	57	1,623	2,243
Raising voluntary income	72	681	753	754
	1,638	738	2,376	2,997
Charitable activities				
Supporting clients	17,254	2,192	19,446	23,859
Provision of 'Grant Aided' activities	494	30	524	609
Health and welfare	547	822	1,369	1,226
Care and accommodation	1,530	415	1,945	2,320
Adoption services	423	207	630	736
	20,248	3,666	23,914	28,750
Other expenditure - payroll costs for subsidiary companies	4,817	-	4,817	9,300
Total resources expended	26,703	4,404	31,107	41,047

Fundraising includes the cost of 'attracting' all voluntary income into the Charity.

SUPPORTING CLIENTS - WELFARE AND GRANTS PAYABLE	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000
Group						
Casework	6,734	12,354	19,088	9,284	14,609	23,893
Specialist services	434	230	664	769	180	949
Military Wives Choirs	330	100	430	378	66	445
	7,498	12,684	20,182	10,432	14,855	25,287

SUPPORTING CLIENTS - WELFARE AND GRANTS PAYABLE	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000
Charity						
Casework	6,428	12,354	18,782	8,301	14,609	22,910
Specialist services	434	230	664	769	180	949
	6,862	12,584	19,446	9,070	14,789	23,859

All grants were paid to or on the behalf of eligible individuals.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

6. SUPPORT COSTS	Management £'000	Finance £'000	Human Resources £'000	Information Technology £'000	Facilities £'000	Governance £'000	Total 2020 £'000	Total 2019 £'000
Group								
Raising funds	130	103	118	170	181	39	741	724
Charitable activities								
Grants payable	386	307	351	507	538	115	2,204	1,801
Care and accommodation	73	58	66	96	102	22	417	530
Adoption	37	29	33	48	51	11	209	212
Total charitable activities	626	497	568	821	872	187	3,571	3,267
Health and welfare services							822	780
Grant-aided activities							30	30
Total support costs							4,423	4,077

	Management £'000	Finance £'000	Human Resources £'000	Information Technology £'000	Facilities £'000	Governance £'000	Total 2020 £'000	Total 2019 £'000
Charity								
Raising funds	130	100	118	170	181	39	738	721
Charitable activities								1,796
Grants payable	386	295	351	507	538	115	2,192	1,796
Care and accommodation	73	56	66	96	102	22	415	529
Adoption services	37	27	33	48	51	11	207	211
	626	478	568	821	872	187	3,552	3,257
Health and welfare services							822	780
Grant-aided activities							30	30
Total support costs							4,404	4,067

The administrative charges for the provision of 'grant-aided' activities and the provision of health and welfare services charge include support costs and are calculated in accordance with the contract agreements.

Governance costs include:	2020 £'000	2019 £'000
Council/Committee expenses	5	10
AGM	-	7
Annual reports	6	6
Audit	65	92
Legal and professional	57	53
Apportionment of employee costs	54	79
	187	247

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

7. NET EXPENDITURE

This is stated after charging/(crediting):

	2020 £'000	2019 £'000
Fees payable to the Charity's auditor		
Audit of the Charity's accounts	34	46
Audit of subsidiaries and joint venture	31	46
Total audit fees	65	92
Non-audit fees: Taxation compliance services	14	11
Depreciation of tangible fixed assets	192	185
Expenditure on fixtures, fittings & equipment written off	165	9
Profit on disposal of fixed assets	(64)	(1,280)
Amounts paid under operating leases (see below)	28	116

The Group's future minimum operating lease payments are as follows:

	2020 £'000	2019 £'000
Within one year	15	24
In two to five years inclusive	-	32

The Charity's future minimum operating lease payments are as follows:

	2020 £'000	2019 £'000
Within one year	15	24
In two to five years inclusive	-	32

	Non MOD 2020 £'000	MOD 2020 £'000	Total 2020 £'000	Non MOD 2019 £'000	MOD 2019 £'000	Total 2019 £'000
8. EMPLOYEE AND STAFF COSTS						
Staff costs during the year were as follows:						
Wages and salaries	7,190	3,630	10,820	6,644	5,468	12,112
Social security costs	866	890	1,756	657	523	1,180
Other pension costs	411	250	661	677	1,513	2,190
Total staff costs	8,467	4,770	13,237	7,978	7,504	15,482
Agency locums and other contractors	186	516	702	433	981	1,414
Total labour costs	8,653	5,286	13,939	8,411	8,485	16,896

Redundancy costs of £447,000 (2019: £2,431,000) are included above. These are recognised when a constructive obligation arises.

In addition, a great amount of time is donated by thousands of volunteers throughout the world. Trustees and employees are extremely grateful for this support without which the Charity would be unable to provide such a comprehensive range of services to beneficiaries. Due to the costs involved in quantifying this the Trustees do not consider it possible to reflect this in the financial statements.

	Non MOD 2020 Number	MOD 2020 Number	Total 2020 Number	Non MOD 2019 Number	MOD 2019 Number	Total 2019 Number
The number of employees paid by the Charity whose emoluments, excluding employer's pension contributions, exceeded £60,000 in the year were as follows:						
£60,001 to £70,000	2	-	2	3	-	3
£70,001 to £80,000	6	1	7	5	1	6
£80,001 to £90,000	1	1	2	-	1	1
£90,001 to £100,000	-	1	1	1	2	3
£100,001 to £110,000	-	1	1	-	1	1
£110,001 to £120,000	-	-	-	-	-	-
£120,001 to £130,000	1	-	1	-	-	-
£130,001 to £140,000	-	-	-	1	1	2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

8. EMPLOYEE AND STAFF COSTS Cont.

8 higher-paid staff members are accruing retirement benefits under the defined contribution scheme, and 1 higher-paid staff under the defined benefit schemes, with 3 other higher-paid staff not participating in these schemes. (2019: 9 higher-paid employees participated in the defined contribution scheme and 3 higher paid employees participated in the defined benefit scheme, with 4 others not participating in these schemes). Contributions in the year for the defined contribution scheme for higher-paid staff amounted to £37,000 (2019: £36,000).

Higher-paid staff include medical personnel employed from the MOD and other NHS contracts, some of which were transferred under TUPE arrangements from the MOD.

The key management personnel of the Charity comprise the Controller and the members of the Management Board. The cost of employing management personnel for the Charity was therefore £722,000 (2019: £727,000).

The average number of UK contracted staff throughout the year for the Group and the Charity, analysed by activity, was:

	Non-MOD 2020 Number	MOD Contracts* 2020 Number	Total 2020 Number	Non-MOD 2019 Number	MOD Contracts* 2019 Number	Total 2019 Number
Voluntary income	3	-	3	3	-	3
Raising funds	41	-	41	36	-	36
Grants payable	116	-	116	101	-	101
Care and accommodation	22	-	22	32	-	32
Adoption services	11	-	11	10	-	10
Health and welfare	-	122	122	-	158	158
Community health/social service staff - 'grant-aided' activities	-	11	11	-	12	12
Management and support	28	-	28	32	6	38
Total staff numbers	221	133	354	214	176	390

* Information for staff engaged in the provision of medical and social welfare services to the MOD has been provided to differentiate them from staff primarily engaged in the provision of services to beneficiaries.

9. Trustee REMUNERATION

Trustees are not remunerated. They are reimbursed expenses or amounts are paid on their behalf for attending meetings and duties directly related to their duties as Trustees.

In 2020 total expenses of £3,000 (2019: £9,000) were paid for 6 Trustees (2019 - 13).

Trustee indemnity insurance is held as part of a wider policy covering staff and volunteers. The premium for Trustee insurance cannot be separately identified but is estimated at £2,500 (2019: £2,500)

	2020 Unrestricted £'000	2020 Restricted £'000	2020 Total £ '000	2019 Unrestricted £'000	2019 Restricted £'000	2019 Total £'000
10. NET GAINS/(LOSSES) ON INVESTMENTS Group and Charity						
Unrealised gains on listed investments	1,227	124	1,351	2,036	340	2,376
Fair value adjustment on investment properties	(257)	-	(257)	1,026	-	1,026
Realised gain on sale of leasehold investment property	100	-	100	-	-	-
Total net gains on investments	1,070	124	1,194	3,062	340	3,402

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

11. TANGIBLE FIXED ASSETS	Freehold properties £'000	Long leasehold properties £'000	Motor vehicles £'000	IT, furniture & equipment £'000	Total £'000
Group					
Cost					
At 1 January 2020	11,454	1,268	65	1,180	13,967
Additions	-	-	-	-	-
Disposals	(1,827)	-	(45)	-	(1,872)
At 31 December 2020	9,627	1,268	20	1,180	12,095
Depreciation					
At 1 January 2020	1,131	381	57	1,105	2,674
Charge for year	137	26	-	29	192
Eliminated on disposal	(263)	-	(38)	-	(301)
At 31 December 2020	1,005	407	19	1,134	2,565
Net book value					
At 31 December 2020	8,622	861	1	46	9,530
At 31 December 2019	10,323	887	8	75	11,293

	Freehold properties £'000	Long leasehold properties £'000	Motor vehicles £'000	IT, furniture & equipment £'000	Total £'000
Charity					
Cost					
At 1 January 2020	11,454	1,268	65	1,175	13,962
Additions	-	-	-	-	-
Disposals	(1,827)	-	(45)	-	(1,872)
At 31 December 2020	9,627	1,268	20	1,175	12,090
Depreciation					
At 1 January 2020	1,131	381	57	1,100	2,669
Charge for year	137	26	-	30	193
Eliminated on disposal	(263)	-	(38)	-	(301)
At 31 December 2020	1,005	407	19	1,130	2,561
Net book value					
At 31 December 2020	8,622	861	1	45	9,529
At 31 December 2019	10,323	887	8	75	11,293

All assets are owned by the Charity except for The Military Wives Choirs Foundation's furniture and equipment of £1,000 (2019 - £nil) upon which depreciation of £1,000 (2019 - £nil) was charged.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

12. INVESTMENTS	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Investments comprise:				
Freehold investment properties	8,356	8,613	8,356	8,613
Leasehold investment properties	-	1,050	-	1,050
Listed investments	29,997	25,141	29,997	25,141
Investments in subsidiaries	-	-	10	10
	38,353	34,804	38,363	34,814

	Group Freehold £'000	Group Leasehold £'000	Charity Freehold £'000	Charity Leasehold £'000
Investment properties at fair value				
As at 1 January 2020	8,613	1,050	8,613	1050
Revaluation	(257)	-	(257)	-
Disposal	-	(1,050)	-	(1,050)
As at 31 December 2020	8,356	-	8,356	-

The freehold investment property, a part of the freehold SSAFA Headquarters property was revalued at 31 December 2020, based on a valuation undertaken by Jones Lang Lasalle, an independent valuer with recent experience in the location and classes of the investment properties being valued. The valuation was prepared in accordance with the RICS Valuation - Professional Standards, January 2014 as published by the Royal Institution of Chartered Surveyors on the basis of Fair Value for current use. There are no restrictions on the realisability of the freehold property.

As set out in note 3, property rental income earned during the year was £669,000 (2019: £761,000). The freehold investment property is leased out under operating leases and the leasehold investment property formed part of a wider contractual arrangement. Direct operating expenses arising on the freehold investment property generated rental income in the year of £ 130,000 (2018- £118,000). The Charity was additionally contractually obliged to carry out annual repairs and maintenance in respect of the leasehold investment property which in the current year amounted to £45,000 (2019 - £45,000) which is not subject to further recovery

At the balance sheet date, the Charity had contracted with tenants for the following future minimum lease payments:

	2020 £'000	2019 £'000
Within one year	238	340
In two to five years inclusive	311	1,129
After five years	-	251

Listed investments	Total £'000
Group:	
Market value:	
At 1 January 2020	25,141
Acquisitions	3,505
Realised and unrealised profits on revaluation	1,351
At 31 December 2020 - Group	29,997
Investment in subsidiary	10
At 31 December 2020 - Charity	30,007
Historical cost at 31 December 2020	22,245

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

12. INVESTMENTS Cont.	2020 £'000	2019 £'000
Listed investments are represented by:		
Armed Forces Charity Authorised Investment Fund Units	29,768	24,877
United Kingdom – Equities	229	264
	29,997	25,141

Investments within the portfolio which amount to more than 5% of total holdings as at 31 December 2020 were:

	2020 £'000	2019 £'000
Armed Forces Charity Authorised Investment Fund	29,768	24,877

Any charges made by the fund manager for managing the fund are deducted in arriving at the income or gains available for distribution and can not be separately identified. There are no restrictions on the realisation of these investments.

Subsidiary undertakings

As at the balance sheet date, the Charity owned the entire ordinary share capital (where applicable) of the following subsidiary undertakings:

Name	Holding	Activity
SSAFA Family Health Services	Limited by guarantee	Health and welfare services
SSAFA Forces Help Enterprises Limited	10,000 £1 ordinary shares	Sale of merchandise
The Military Wives Choirs Foundation	Limited by guarantee	Military Wives and other choirs
SSAFA CMS Limited	100 £1 ordinary shares	Casework management system

Details of the subsidiaries' profit and loss accounts are as given below. These undertakings (excluding the charitable subsidiary) donate their taxable profits to the Charity each year.

The assets and liabilities of each subsidiary as extracted from the latest financial statements were:

	SSAFA Family Health Services		SSAFA Forces Help Enterprises Limited		Military Wives Choirs Foundation		SSAFA CMS Limited	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Total assets	806	1,361	357	418	491	299	89	132
Total liabilities	(616)	(1,258)	(148)	(224)	(281)	(279)	(88)	(131)
	190	103	209	194	210	20	1	1
Represented by:								
Share capital	-	-	10	10	-	-	-	-
Reserves	190	103	199	184	210	20	1	1
	190	103	209	194	210	20	1	1
The results for the year were:								
Income	8,799	14,888	490	429	629	504	490	979
Expenditure	(6,566)	(12,841)	(148)	(230)	(439)	(513)	(490)	(978)
Net income/(expenditure)	2,233	2,047	342	199	190	(9)	-	1
Donation to charity under Gift Aid	(2,146)	(2,446)	(327)	(342)	-	-	-	-
Tax relief	-	465	-	65	-	-	-	-
Reserves brought forward	103	37	184	262	20	29	1	-
Retained in subsidiary	190	103	199	184	210	20	1	1

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

12. INVESTMENTS Cont.

Joint venture

The provision of primary health care services in North West Europe are performed by the Charity's joint venture, SSAFA GSTT Care LLP. The Group holds 50% of the capital of SSAFA GSTT Care LLP, held at a cost of £1 by SSAFA Family Health Services.

	SSAFA GSTT Care LLP 2020 £'000	SSAFA GSTT Care LLP 2019 £'000
A summary of the Group's share of the joint venture:		
Turnover	7,235	9,179
Expenditure	(7,234)	(9,179)
Profit/(loss) before and after tax	1	-
Current assets	49	442
Liabilities due within 1 year	(46)	(440)

All income and expenditure through the joint venture are included in health and welfare activities as shown in the Group Statement of Financial Activities.

13. DEBTORS	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Trade debtors	1,053	875	377	407
Amounts owed by subsidiary undertakings	-	-	805	1,177
Amounts owed by related undertakings	45	307	-	-
Other debtors	46	213	5	32
Prepayments and accrued income	2,883	1,492	2,862	1,377
Total debtors	4,027	2,887	4,049	2,993

Amounts owed by Group undertakings are repayable on demand and no interest is payable. All amounts are due within one year.

14. CREDITORS

Amounts falling due within one year:

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Trade creditors	478	543	449	339
Other tax and social security costs	555	526	508	459
Other creditors	107	211	107	210
Unalmonised grants	1,623	1,877	1,623	1,877
Accruals and deferred income	1,086	1,197	847	752
Total creditors	3,849	4,354	3,534	3,637

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

15. FUNDS	Balance at 1 January 2020 £'000	Incoming resources £'000	Resources expended £'000	Other movements £'000	Transfers £'000	Balance at 31 December 2020 £'000
General funds	46,845	19,965	(18,101)	1,053	51	49,813
Designated funds						
Carmichael Walker Fund	380	18	(2)	17	-	413
Royal Patriotic Fund	1,287	-	(72)	-	-	1,215
Total designated funds	1,667	18	(74)	17	-	1,628
Pension reserve	(1,706)	-	(719)	(14,661)	-	(17,086)
Total unrestricted funds	46,806	19,983	(18,894)	(13,591)	51	34,355
Restricted funds						
Welfare and case grants	1,843	1,065	(1,420)	1	-	1,489
Housing	322	5	-	-	-	327
UK Armed Forces and other charities	-	10,343	(10,343)	-	-	-
UK Armed Forces 'grant-aided' activities	-	575	(524)	-	(51)	-
The Royal Homes	1,927	552	(535)	74	-	2,018
Miscellaneous branch funds	2,109	194	(129)	49	-	2,223
Adoption services	250	100	(250)	-	-	350
Welfare funds	468	1,393	(692)	-	-	1,169
Total restricted funds — Charity	6,919	14,227	(13,893)	124	(51)	7,576
Military Wives Choirs Foundation	33	269	(100)	-	-	202
Total restricted funds - group	6,952	14,496	(13,743)	124	(51)	7,778
Total funds - Group	53,758	34,479	(32,887)	(13,467)	-	41,883
General funds						
SSAFA Family Health Services	(103)					(190)
SSAFA Forces Help Enterprises Limited	(194)					(192)
SSAFA CMS Limited	(1)					(1)
Share of joint venture	2					(3)
Military Wives Choirs Foundation	(8)					(210)
Total funds — Charity	53,454					41,287

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

15. FUNDS (continued)	Balance at 1 January 2019 £'000	Incoming resources £'000	Resources expended £'000	Other movements £'000	Balance at 31 December 2019 £'000
General funds	43,407	28,389	(28,015)	3,064	46,845
Designated funds					
Carmichael Walker Fund	335	6	(4)	43	380
Royal Patriotic Fund	1,346	-	(59)	-	1,287
Total designated funds	1,681	6	(63)	43	1,667
Pension reserve	(5,503)	-	(594)	4,391	(1,706)
Total unrestricted funds	39,585	28,395	(28,672)	7,498	46,806
Restricted funds					
Welfare and case grants	1,957	1,059	(1,177)	4	1,843
Housing	339	10	(27)	-	322
UK Armed Forces and other charities	-	13,149	(13,149)	-	-
UK Armed Forces 'grant-aided' activities	-	654	(609)	(45)	-
The Royal Homes	1,669	568	(494)	184	1,927
Miscellaneous branch funds	1,967	249	(259)	152	2,109
Adoption services	274	250	(274)	-	250
Welfare funds	350	322	(204)	-	468
Total restricted funds — Charity	6,556	16,261	(16,193)	295	6,919
Military Wives Choirs Foundation	70	29	(66)	-	33
Total restricted funds - group	6,626	16,290	(16,259)	295	6,952
Total funds - Group	46,211	44,685	(44,931)	7,793	53,758
General funds					
SSAFA Family Health Services	(37)				(103)
SSAFA Forces Help Enterprises Limited	(256)				(194)
SSAFA CMS Limited	-				(1)
Share of joint venture	2				2
Military Wives Choirs Foundation	(37)				(8)
Total funds — Charity	45,883				53,454

Funds are held for use for the following purposes:

General funds

General funds are available for use at the discretion of Council to further the Charity's objectives.

Designated funds

Carmichael Walker Fund — for use on charitable activities in the North East of England.

Royal Patriotic Fund — having accepted the funds and obligations of the Royal Patriotic Fund Corporation on 27 May 2011, the assets attaining have been designated for the purposes of the Royal Patriotic Fund Corporation.

Restricted Funds

Welfare and casegrants-includes funding received from the Armed Forces Covenant (LIBOR) Fund for four projects, Short Breaks, Mutual Support, Mental Health First Aid and Mentoring.

Homes from Home Appeal - to provide funding for families visiting injured servicemen and women at Norton House

UK Armed Forces and other charities - contributions received from these bodies to provide grants to individuals for welfare purposes

UK Armed Forces-Grant Aided - received under grant in aid to reimburse the costs incurred in the provision of Community Health and Social Services

The Royal Homes - a charity providing residential facilities linked with the Charity's activities under a Charity Commission Scheme in 1998

Miscellaneous branch funds - funds which have been received by branches for specific use in their local areas

Welfare funds - income or capital received which may only be applied in the provision of welfare services to eligible individuals in need

Included under this heading is The Aircrew Association Charitable Fund, a subsidiary charity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2020 are represented by:

	General 2020 £'000	Designated 2020 £'000	Restricted 2020 £'000	Total 2020 £'000
Tangible fixed assets	9,222	-	308	9,530
Investments	35,940	318	2,098	38,356
Net current assets	4,651	1,310	5,122	11,083
Defined benefit pension liability	(17,086)	-	-	(17,086)
Total net assets between funds	32,727	1,628	7,528	41,883

	General 2019 £'000	Designated 2019 £'000	Restricted 2019 £'000	Total 2019 £'000
Fund balances at 31 December 2019 are represented by:				
Tangible fixed assets	10,982	-	311	11,293
Investments	31,984	380	2,442	34,806
Net current assets	3,879	1,287	4,199	9,365
Defined benefit pension liability	(1,706)	-	-	(1,706)
Total net assets between funds	45,139	1,667	6,952	53,758

17. CONTINGENT ASSETS

Neither the Group nor the Charity have identified any contingent assets due either at 31 December 2020 nor at 31 December 2019.

18. CONTINGENT LIABILITIES

The Charity had at the year end committed to a Coronavirus Business Interruption Loan Scheme loan of £5,000,000.

19. CAPITAL COMMITMENTS

The Group had no capital commitments either at 31 December 2020 nor at 31 December 2019.

20. BANK GUARANTEE

The Charity has guaranteed overdraft facilities for its charitable trading subsidiary, SSAFA Family Health Services, up to £1 million. As additional security, the bank holds a debenture over the assets of SSAFA Family Health Services.

21. RETIREMENT BENEFITS

	2020 £'000	2019 £'000
Local Government Pension Scheme	411	1,143
Aviva Group Personal Pension Plan	436	433
NHS Pensions Scheme	16	26
Total contributions	862	1,602

Aviva Group Personal Pension Plan

SSAFA operates a defined contributions pension scheme for the benefit of SSAFA's employees. The assets of the scheme are administered by Trustees in a fund independent from those of the Charity. The charge for the year represents those contributions payable to the scheme in respect of the accounting period.

SSAFA had 235 active members in the scheme as at 31 December 2020 (2019: 238) and total pension scheme contributions outstanding at the year end amounted to £51,000 (2019: £49,000).

NHS Pensions Scheme

Following the transfer of staff to SSAFA from the MOD, SSAFA currently participates in the NHS Pensions Scheme. The NHS Pension Scheme is an unfunded multi-employer defined benefit scheme. The assets of the scheme are administered by NHS Pensions in a fund which is independent of SSAFA. The charge for the year represents those contributions payable to the scheme in respect of the accounting period. Entry into this scheme is strictly limited to employees transferring to SSAFA from the NHS and at 31 December 2020, the Association had 2 (2019:3) active members in this scheme.

The pension scheme contributions outstanding at the end of the accounting period amounted to £1,000 (2019: £2,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

21. RETIREMENT BENEFITS (continued)

Local Government Pension Scheme (LGPS)

SSAFA participates in a defined benefit scheme with contributions paid by the employer. The scheme is a multi-employer scheme administered by the London Pension Fund Authority (LPFA) and is only open to certain categories of SSAFA's employees. The scheme is closed to new members.

At 31 December 2020 the Association had 21 active members (2019: 33).

The last actuarial valuation of the scheme was at 31 March 2019 using the projected unit method and the attained age method, dependent on the fund being valued. At the valuation date the market value of the LPFA assets was £4,659m in comparison to the actuarial value of benefits that had accrued to members of £5,142m. Accordingly, as at 31 March 2013, there was a deficit of £483m. Although the London Pension Fund Authority is a multi-employer scheme, it has been able to allocate assets and liabilities relating to SSAFA Forces Help and these are disclosed below.

The employer contributed 19.7% during the year and the employee contribution rate ranges from 5.5% to 10.5% depending on the full-time annual rate of pay.

At 31 December 2020 the valuation was updated in accordance with FRS 102 and in line with the assumptions used in the 2020 scheme valuation. The major assumptions used by the actuary were:

Assumptions as at	31 December 2020 % p.a.	31 December 2019 % p.a.
RPI increases	2.9%	3.1%
CPI increases	2.5%	2.3%
Salary increases	3.5%	3.9%
Pension increases	2.5%	2.4%
Discount rate	1.3%	2.1%

Mortality assumption

The post-retirement mortality tables are based on Club Vita analysis. These base tables are then projected using the CMI 2018 model allowing for a long-term rate of improvement of 1.25% per annum.

Assumptions: members will exchange half of their commutable pension for cash at retirement and active members will retire at one retirement age for all tranches of benefit, which will be the pension-weighted average tranche retirement age. No members will take up the option under the new LGPS to pay 50% of contributions for 50% of benefits.

Assets

The estimated asset allocation as at 31 December 2020 is as follows:

	31 December 2020 % p.a.	31 December 2019 % p.a.
Equities	55%	54%
Target Return Portfolio	23%	25%
Infrastructure	7%	7%
Property	9%	9%
Cash	6%	5%
Total	100%	100%

None of the fair values of the assets shown above include any of the Group's own financial instruments or any property occupied by, or other assets used by the Group.

Statement of financial position as at 31 December 2020	2020 £'000	2019 £'000
Fair value of scheme assets (bid value)	117,484	115,192
Present value of funded obligations	(134,570)	(116,898)
Net pension liability	(17,086)	(1,706)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

21. RETIREMENT BENEFITS (continued)

Reconciliation of defined benefit obligation:	2020 £'000	2019 £'000
Opening defined benefit obligation	116,898	107,352
Current service cost	487	845
Interest cost	2,353	2,958
Change in financial assumptions	20,151	13,027
Change in demographic assumptions	-	(4,200)
Experience gain on defined benefit obligation	(1,467)	-
Past service costs	618	735
Contributions by Scheme participants	88	184
Estimated benefits paid (net of transfers in)	(4,558)	(4,003)
Closing defined benefit obligation	134,570	116,898

Reconciliation of fair value of employer assets:	2020 £'000	2019 £'000
Opening fair value of scheme assets	115,192	101,849
Interest on assets	2,322	2,816
Return on assets less interest	2,884	13,218
Administration expenses	(150)	(132)
Other actuarial gains	1,139	-
Contributions by employer (including unfunded)	567	1,260
Contributions by scheme participants	88	184
Estimated benefits paid (net of transfers in and including unfunded)	(4,558)	(4,003)
Closing fair value of employers assets	117,484	115,192

The actual return on plan assets over the year ended 31 December 2020 was £5,206,000 (2019: £16,034,000).

Defined benefit costs recognised in the Statement of Financial Activities	2020 £'000	2019 £'000
Service cost	1,105	1,580
Net interest on the defined liability	31	142
Administration expenses	150	132
Defined benefit costs recognised in the Statement of Financial Activities	1,286	1,854

Re-measurement of the net assets/(defined liability)	2020 £'000	2019 £'000
Return of fund assets in excess of interest	2,884	13,218
Other actuarial gains on assets	1,139	-
Change in financial assumptions	(20,151)	(13,027)
Change in demographic assumptions	-	4,200
Experience gain on defined benefit obligation	1,467	-
Re-measurement of the net (defined liability)/asset	(14,661)	4,391

Reconciliation of opening and closing deficit:	2020 £'000	2019 £'000
Deficit at beginning of the year	(1,706)	(5,503)
Current service cost	(487)	(845)
Past service cost	(618)	(735)
Employer contributions	567	1,260
Other finance Income	(31)	(142)
Actuarial (losses)/gains	(14,661)	4,391
Administrative expenses	(150)	(132)
Deficit at end of the year	(17,086)	(1,706)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

21. RETIREMENT BENEFITS (continued)

Sensitivity Analysis

The following table sets out the impact of a small change in the discount rate or mortality assumptions:	£'000s	£'000s	£'000s
Adjustment to discount rate	0.1%	0%	-0.1%
Present value of total obligation	132,283	134,570	136,899
Projected service cost	586	599	612
Adjustment to long term salary increase			
Present value of total obligation	134,675	134,570	134,466
Projected service cost	599	599	599
Adjustment to pension increases and deferred revaluation	0.1%	0%	-0.1%
Present value of total obligation	136,764	134,570	132,412
Projected service cost	611	599	587
Adjustment to life expectancy assumptions	+1 Year	None	- 1 Year
Present value of total obligation	139,269	134,570	130,030
Projected service cost	619	599	580

22. FINANCIAL ASSETS AND LIABILITIES

Group	2020 £'000	2019 £'000
Financial assets	42,004	37,330
Financial liabilities	3,294	3,828

Charity	2020 £'000	2019 £'000
Financial assets	41,150	36,454
Financial liabilities	3,026	3,178

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

23. RELATED PARTY TRANSACTIONS

The Charity had the following transactions with its wholly owned subsidiaries

	2020 £'000	2019 £'000
Management fees charged to SSAFA Forces Help Enterprises Limited	15	15
Donation received from SSAFA Forces Help Enterprises Limited under Gift Aid	327	325
Salary and management charges to SSAFA Family Health Services	5,649	10,009
Donation received from SSAFA Family Health Services under Gift Aid	2,146	2,445
Amount due from SSAFA Family Health Services	478	783
Salary costs recharged to SSAFA CMS Limited	167	72
Amounts due from SSAFA CMS Limited	5	22
Amounts due from Military Wives Choirs Foundation	264	261

The following transactions took place between SSAFA Family Health Services, a wholly owned subsidiary and, SSAFA GSTT Care LLP, a joint venture investment in which SSAFA Family Health Services has a 50% interest.

	2020 £'000	2019 £'000
Sales to SSAFA GSTT Care LLP	2,407	5776
Amounts due from SSAFA GSTT Care LLP	-	292

Guarantor:
The Charity is the Guarantor of a £1 million overdraft facility provided to SSAFA Family Health Services by Royal Bank of Scotland

24. POST BALANCE SHEET EVENTS

Since the year end the Charity has received a contribution from the MOD towards its defined benefit pension scheme of £10,000,000. The Scheme was valued as at 31 March 2021 after the receipt of these funds, and the deficit had fallen to £4,260,000.

Since the balance sheet date the Charity has drawn down on the Coronavirus Business Interruption Loan and has a loan of £5,000,000 to be repaid by January 2023.

SSAFA GSTT Care LLP ceased trading during 2020 and since the year has been placed into Members' Voluntary Liquidation.



SSAFA, the Armed Forces charity, has been providing lifelong support to our Forces and their families since 1885. Last year our teams of volunteers and employees helped more than 79,000 people in need, including those still currently serving, veterans from the Second World War and from more recent conflicts, as well as their families.

SSAFA understands that behind every uniform is a person. And we are here for that person – any time they need us, in any way they need us, for as long as they need us.

NEED TO TALK?

SSAFA's Forcesline is a free and confidential helpline providing advice and information for serving personnel, reserves, veterans and their families, and is completely independent of the chain of command.

■ Call **0800 731 4880** Lines open 09.00 to 17.30 weekdays

■ Visit **ssafa.org.uk/forcesline**

To make a donation and help us provide lifelong support to our Armed Forces and their families:

■ Call **020 7403 8783**

■ Visit **ssafa.org.uk/give**

