

# ANNUAL REPORT

AND ACCOUNTS 2023



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Armed Forces  
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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)

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**Bankers**

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**Solicitors**

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# 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.



# 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.

<b>PATRON</b> His Majesty King Charles III	<b>DEPUTY NATIONAL CHAIR</b> Colonel Stephen Oxlade
<b>PRESIDENT</b> HRH Prince Michael of Kent	<b>HONORARY TREASURER</b> Mr David Rowe
<b>VICE PRESIDENTS</b> 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)	<b>COUNCIL MEMBERS</b> 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)
<b>NATIONAL CHAIR</b> Lieutenant General Sir Gary Coward (retired October 2023) Sir Simon Bollom (from October 2023)	<b>CONTROLLER</b> Lieutenant General Sir Andrew Gregory
<b>NATIONAL VICE CHAIR</b> Kirsty Bushell	<b>SECRETARY AND CHIEF OPERATING OFFICER</b> 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:19June 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
<b>INCOME FROM:</b>							
Donations and legacies	1	8,385	2,591	10,976	9,129	2,031	11,160
<b>Charitable activities</b>							
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
<b>Total charitable activities</b>		<b>7,092</b>	<b>11,091</b>	<b>18,183</b>	<b>6,649</b>	<b>10,502</b>	<b>17,151</b>
<b>Other trading activities</b>							
Fundraising activities		1,672	91	1,763	1,799	86	1,885
Commercial activities		299	-	299	679	-	679
<b>Total trading activities</b>		<b>1,971</b>	<b>91</b>	<b>2,062</b>	<b>2,478</b>	<b>86</b>	<b>2,564</b>
<b>Investments</b>	3	1,933	99	2,032	1,483	106	1,589
<b>Other income</b>	4	867	-	867	571	-	571
<b>Total income</b>		<b>20,248</b>	<b>13,872</b>	<b>34,120</b>	<b>20,310</b>	<b>12,725</b>	<b>33,035</b>
<b>EXPENDITURE ON:</b>							
<b>Raising funds</b>							
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
<b>Total raising funds</b>		<b>4,446</b>	<b>-</b>	<b>4,446</b>	<b>4,527</b>	<b>-</b>	<b>4,527</b>
<b>Charitable activities</b>							
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
<b>Total cost of charitable activities</b>		<b>17,050</b>	<b>13,626</b>	<b>30,676</b>	<b>16,529</b>	<b>13,358</b>	<b>29,887</b>
Other expenditure	5	25	-	25	2	-	2
<b>Total expenditure</b>		<b>21,521</b>	<b>13,626</b>	<b>35,147</b>	<b>21,058</b>	<b>13,358</b>	<b>34,416</b>
Net (losses)/gains on investments	10	(2,123)	15	(2,108)	(4,355)	(522)	(4,877)
<b>Net (expenditure)/income before fund transfers</b>		<b>(3,396)</b>	<b>261</b>	<b>(3,135)</b>	<b>(5,103)</b>	<b>(1,155)</b>	<b>(6,258)</b>
<b>Transfer between funds</b>	11	<b>(196)</b>	<b>196</b>	<b>-</b>	<b>26</b>	<b>(26)</b>	<b>-</b>
<b>Other recognised gains and losses</b>							
Actuarial losses on defined benefit pension	23	(87)	-	(87)	(36)	-	(36)
<b>Net movement in funds</b>		<b>(3,679)</b>	<b>457</b>	<b>(3,222)</b>	<b>(5,113)</b>	<b>(1,181)</b>	<b>(6,294)</b>
<b>RECONCILIATION OF FUNDS</b>							
<b>Total funds brought forward</b>	17	<b>50,769</b>	<b>5,988</b>	<b>56,757</b>	<b>55,882</b>	<b>7,169</b>	<b>63,051</b>
<b>Total funds carried forward</b>	17	<b>47,090</b>	<b>6,445</b>	<b>53,535</b>	<b>50,769</b>	<b>5,988</b>	<b>56,757</b>

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
<b>INCOME FROM:</b>							
Donations and legacies	1	9,443	2,591	12,034	9,754	1,808	11,562
<b>Charitable activities</b>							
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
<b>Total charitable activities</b>		<b>942</b>	<b>11,091</b>	<b>12,033</b>	<b>658</b>	<b>10,502</b>	<b>11,160</b>
<b>Other trading activities — Fundraising</b>		1,672	91	1,763	1,843	86	1,929
<b>Investments</b>	3	1,930	99	2,029	1,481	106	1,587
<b>Other Income</b>	4	5,543	-	5,543	5,339	-	5,339
<b>Total income</b>		<b>19,530</b>	<b>13,872</b>	<b>33,402</b>	<b>19,075</b>	<b>12,502</b>	<b>31,577</b>
<b>EXPENDITURE ON:</b>							
<b>Raising funds</b>							
Fundraising activities	5	3,385	-	3,385	3,439	-	3,439
Raising voluntary income	5	874	-	874	838	-	838
<b>Total raising funds</b>		<b>4,259</b>	<b>-</b>	<b>4,259</b>	<b>4,277</b>	<b>-</b>	<b>4,277</b>
<b>Charitable activities</b>							
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
<b>Total cost of charitable activities</b>		<b>12,534</b>	<b>13,626</b>	<b>26,160</b>	<b>11,910</b>	<b>13,020</b>	<b>24,930</b>
Other expenditure	5	3,792	-	3,792	3,834	-	3,834
<b>Total expenditure</b>		<b>20,585</b>	<b>13,626</b>	<b>34,211</b>	<b>20,021</b>	<b>13,020</b>	<b>33,041</b>
Net (losses)/gains on investments	10	(2,123)	15	(2,108)	(4,313)	(488)	(4,801)
<b>Net (expenditure)/income before fund transfers</b>		<b>(3,178)</b>	<b>261</b>	<b>(2,917)</b>	<b>(5,259)</b>	<b>(1,006)</b>	<b>(6,265)</b>
Transfers between funds	11	(196)	196	-	34	(34)	-
<b>Other recognised gains and losses</b>							
Actuarial (losses)/gains on defined benefit pension	23	(87)	-	(87)	(36)	-	(36)
<b>Net movement in funds</b>		<b>(3,461)</b>	<b>457</b>	<b>(3,004)</b>	<b>(5,261)</b>	<b>(1,040)</b>	<b>(6,301)</b>
<b>RECONCILIATION OF FUNDS</b>							
<b>Total funds brought forward</b>	17	<b>50,245</b>	<b>5,988</b>	<b>56,233</b>	<b>55,506</b>	<b>7,028</b>	<b>62,534</b>
<b>Total funds carried forward</b>	17	<b>46,784</b>	<b>6,445</b>	<b>53,229</b>	<b>50,245</b>	<b>5,988</b>	<b>56,233</b>

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
<b>As at 31 December</b>					
<b>FIXED ASSETS</b>					
Tangible assets	12	7,140	7,352	7,140	7,352
Investments	13	37,040	39,891	37,050	39,901
<b>Total fixed assets</b>		<b>44,180</b>	<b>47,243</b>	<b>44,190</b>	<b>47,253</b>
<b>CURRENT ASSETS</b>					
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
		<b>12,958</b>	<b>13,661</b>	<b>12,041</b>	<b>12,778</b>
<b>Creditors: Amounts falling due within one year</b>	16	(3,603)	(4,147)	(3,002)	(3,798)
<b>Net current assets</b>		<b>9,355</b>	<b>9,514</b>	<b>9,039</b>	<b>8,980</b>
Net assets excluding pension liability		53,535	56,757	53,229	56,233
Defined benefit pension scheme liability	23	-	-	-	-
<b>NET ASSETS</b>	<b>17</b>	<b>53,535</b>	<b>56,757</b>	<b>53,229</b>	<b>56,233</b>
<b>FUNDS</b>					
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	-	-	-	-
<b>Total unrestricted funds</b>	<b>17</b>	<b>47,090</b>	<b>50,769</b>	<b>46,784</b>	<b>50,245</b>
<b>Restricted funds</b>	<b>17</b>	<b>6,445</b>	<b>5,988</b>	<b>6,445</b>	<b>5,988</b>
<b>TOTAL FUNDS</b>	<b>17</b>	<b>53,535</b>	<b>56,757</b>	<b>53,229</b>	<b>56,233</b>

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
<b>Net cash used in operating activities</b>	<b>A</b>	<b>(3,239)</b>	<b>(3,181)</b>
<b>Cash flows from investing activities</b>			
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
<b>Net cash used in investing activities</b>		<b>2,217</b>	<b>1,885</b>
<b>Cash inflows from financing activities</b>			
New borrowings		-	500
Repayment of borrowings		(500)	(5,000)
<b>Change in cash and cash equivalents in the year</b>		<b>(1,522)</b>	<b>(5,796)</b>
Cash and cash equivalents at 1 January		8,409	14,205
<b>Cash and cash equivalents at 31 December</b>		<b>6,887</b>	<b>8,409</b>

Notes to the Consolidated Statement of Cash Flows	2023 £'000	2022 £'000
<b>A. Reconciliation of net expenditure to net cash flow from operating activities</b>		
Net expenditure	(3,135)	(6,258)
<b>Adjustments for:</b>		
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
<b>Net cash used in operating activities</b>	<b>(3,239)</b>	<b>(3,181)</b>

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

# 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
<b>1. DONATIONS AND LEGACIES</b>						
<b>Group</b>						
Donations	4,266	2,559	6,825	4,040	1,830	5,870
Legacies	4,119	32	4,151	5,089	201	5,290
	<b>8,385</b>	<b>2,591</b>	<b>10,976</b>	<b>9,129</b>	<b>2,031</b>	<b>11,160</b>
<b>Charity</b>						
Donations	5,324	2,559	7,883	4,665	1,607	6,272
Legacies	4,119	32	4,151	5,089	201	5,290
	<b>9,443</b>	<b>2,591</b>	<b>12,034</b>	<b>9,754</b>	<b>1,808</b>	<b>11,562</b>

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
<b>2. INCOME FROM CHARITABLE ACTIVITIES</b>						
<b>Group</b>						
<b>Contributions from services and charities for individuals</b>	<b>-</b>	<b>10,124</b>	<b>10,124</b>	<b>-</b>	<b>9,528</b>	<b>9,528</b>
Community health and social services — overseas	-	413	413	-	428	428
Health and welfare contracts	6,150	-	6,150	5,991	-	5,991
<b>Group health and welfare</b>	<b>6,150</b>	<b>413</b>	<b>6,563</b>	<b>5,991</b>	<b>428</b>	<b>6,419</b>
<b>Care and accommodation contributions</b>						
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
<b>Group care and accommodation contributions</b>	<b>477</b>	<b>554</b>	<b>1,031</b>	<b>421</b>	<b>546</b>	<b>967</b>
<b>Adoption income</b>	<b>465</b>	<b>-</b>	<b>465</b>	<b>237</b>	<b>-</b>	<b>237</b>
<b>Total income from charitable activities</b>	<b>7,092</b>	<b>11,091</b>	<b>18,183</b>	<b>6,649</b>	<b>10,502</b>	<b>17,151</b>
<b>Charity</b>						
<b>Contributions from services and charities for individuals</b>	<b>-</b>	<b>10,124</b>	<b>10,124</b>	<b>-</b>	<b>9,528</b>	<b>9,528</b>
<b>Community health and social services — overseas</b>	<b>-</b>	<b>413</b>	<b>413</b>	<b>-</b>	<b>428</b>	<b>428</b>
<b>Care and accommodation contributions</b>						
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
<b>Charity care and accommodation contributions</b>	<b>477</b>	<b>554</b>	<b>1,031</b>	<b>421</b>	<b>546</b>	<b>967</b>
<b>Adoption income</b>	<b>465</b>	<b>-</b>	<b>465</b>	<b>237</b>	<b>-</b>	<b>237</b>
<b>Total income from charitable activities</b>	<b>942</b>	<b>11,091</b>	<b>12,033</b>	<b>658</b>	<b>10,502</b>	<b>11,160</b>

# 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
<b>3. INCOME FROM INVESTMENTS</b>						
<b>Group</b>						
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
<b>Total investment income</b>	<b>1,933</b>	<b>99</b>	<b>2,032</b>	<b>1,483</b>	<b>106</b>	<b>1,589</b>
<b>Charity</b>						
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
<b>Total investment income</b>	<b>1,930</b>	<b>99</b>	<b>2,029</b>	<b>1,481</b>	<b>106</b>	<b>1,587</b>

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000
<b>4. OTHER INCOME</b>						
<b>Group</b>						
Disposal of fixed assets	619	-	619	522	-	522
Other finance income on defined pension surplus	213	-	213	-	-	-
Other income	35	-	35	49	-	49
<b>Total other income</b>	<b>867</b>	<b>-</b>	<b>867</b>	<b>571</b>	<b>-</b>	<b>571</b>
<b>Charity</b>						
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	-	-	-
<b>Total other income</b>	<b>5,543</b>	<b>-</b>	<b>5,543</b>	<b>5,339</b>	<b>-</b>	<b>5,339</b>

# 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				
<b>Raising funds</b>				
Fundraising activities	3,370	44	3,414	3,443
Raising voluntary income	76	800	876	844
Other trading activities	156	-	156	240
	<b>3,602</b>	<b>844</b>	<b>4,446</b>	<b>4,527</b>
<b>Charitable activities</b>				
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
	<b>26,976</b>	<b>3,700</b>	<b>30,676</b>	<b>29,887</b>
Other expenditure	<b>25</b>	<b>-</b>	<b>25</b>	<b>2</b>
<b>Total resources expended</b>	<b>30,603</b>	<b>4,544</b>	<b>35,147</b>	<b>34,416</b>

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
<b>Raising funds</b>				
Fundraising activities	3,341	44	3,385	3,439
Raising voluntary income	76	798	874	838
	<b>3,417</b>	<b>842</b>	<b>4,259</b>	<b>4,277</b>
<b>Charitable activities</b>				
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
	<b>22,468</b>	<b>3,692</b>	<b>26,160</b>	<b>24,930</b>
Other expenditure - payroll costs for subsidiary companies	<b>3,792</b>	<b>-</b>	<b>3,792</b>	<b>3,834</b>
<b>Total resources expended</b>	<b>29,677</b>	<b>4,534</b>	<b>34,211</b>	<b>33,041</b>

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
	<b>10,294</b>	<b>12,188</b>	<b>22,482</b>	<b>9,749</b>	<b>11,986</b>	<b>21,735</b>

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	-	-	-
	<b>9,967</b>	<b>12,188</b>	<b>22,155</b>	<b>9,054</b>	<b>11,648</b>	<b>20,702</b>

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
	<b>25</b>	<b>-</b>	<b>25</b>	<b>2</b>	<b>-</b>	<b>2</b>

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
	<b>3,792</b>	<b>-</b>	<b>3,792</b>	<b>3,834</b>	<b>-</b>	<b>3,834</b>

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
<b>Group</b>								
<b>Raising funds</b>	27	56	158	266	286	51	844	807
<b>Charitable activities</b>								
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
	<b>120</b>	<b>246</b>	<b>692</b>	<b>1,165</b>	<b>1,252</b>	<b>221</b>	<b>3,696</b>	<b>3,595</b>
				Health and welfare services			818	818
				Grant-aided activities			30	30
				<b>Total support costs</b>			<b>4,544</b>	<b>4,443</b>

	Management £'000	Finance £'000	Human Resources £'000	Information Technology £'000	Facilities £'000	Governance £'000	Total 2023 £'000	Total 2022 £'000
<b>Charity</b>								
<b>Raising funds</b>	27	54	158	266	286	51	842	801
<b>Charitable activities</b>								
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
	<b>120</b>	<b>236</b>	<b>692</b>	<b>1,165</b>	<b>1,252</b>	<b>221</b>	<b>3,686</b>	<b>3,571</b>
				Health and welfare services			818	818
				Grant-aided activities			30	30
				<b>Total support costs</b>			<b>4,534</b>	<b>4,419</b>

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

## 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):		
<b>Fees payable to the Charity's auditor</b>		
Audit of the Charity's accounts	49	46
Audit of subsidiaries	24	30
<b>Total audit fees</b>	<b>73</b>	<b>76</b>
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
<b>8. EMPLOYEE AND STAFF COSTS</b>						
<b>Staff costs during the year were as follows:</b>						
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
<b>Total staff costs</b>	<b>10,895</b>	<b>3,648</b>	<b>14,543</b>	<b>10,793</b>	<b>3,456</b>	<b>14,249</b>
Agency locums and other contractors	510	232	742	433	191	624
<b>Total labour costs</b>	<b>11,405</b>	<b>3,880</b>	<b>15,285</b>	<b>11,226</b>	<b>3,647</b>	<b>14,873</b>

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
<b>Total staff numbers</b>	<b>283</b>	<b>112</b>	<b>395</b>	<b>280</b>	<b>113</b>	<b>393</b>

\* 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)
<b>Total net (losses)/gains on investments</b>	<b>(2,123)</b>	<b>15</b>	<b>(2,108)</b>	<b>(4,355)</b>	<b>(522)</b>	<b>(4,877)</b>

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
<b>Total net (losses)/gains on investments</b>	<b>(2,123)</b>	<b>15</b>	<b>(2,108)</b>	<b>(4,313)</b>	<b>(488)</b>	<b>(4,801)</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 202

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)	-
<b>Total transfers - charity</b>	<b>(196)</b>	<b>196</b>	<b>-</b>	<b>34</b>	<b>(34)</b>	<b>-</b>
<b>Military Wives Choirs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8)</b>	<b>8</b>	<b>-</b>
<b>Total transfers - group</b>	<b>(196)</b>	<b>196</b>	<b>-</b>	<b>26</b>	<b>(26)</b>	<b>-</b>

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

# 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
<b>Total debtors</b>	<b>4,797</b>	<b>5,227</b>	<b>4,731</b>	<b>4,674</b>

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
<b>Total creditors</b>	<b>3,603</b>	<b>4,147</b>	<b>3,002</b>	<b>3,798</b>

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
<b>General funds</b>	<b>49,255</b>	<b>20,029</b>	<b>(21,233)</b>	<b>(2,124)</b>	<b>(283)</b>	<b>45,644</b>
<b>Designated funds</b>						
Carmichael Walker Fund	400	6	(9)	1	-	398
Royal Patriotic Fund	1,114	-	(66)	-	-	1,048
<b>Total designated funds</b>	<b>1,514</b>	<b>6</b>	<b>(75)</b>	<b>1</b>	<b>-</b>	<b>1,446</b>
<b>Pension reserve</b>	<b>-</b>	<b>213</b>	<b>(213)</b>	<b>(87)</b>	<b>87</b>	<b>-</b>
<b>Total unrestricted funds</b>	<b>50,769</b>	<b>20,248</b>	<b>(21,521)</b>	<b>(2,210)</b>	<b>(196)</b>	<b>47,090</b>
<b>Restricted funds</b>						
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
<b>Total restricted funds — Charity and Group</b>	<b>5,988</b>	<b>13,872</b>	<b>(13,626)</b>	<b>15</b>	<b>196</b>	<b>6,445</b>
<b>Total funds - Group</b>	<b>56,757</b>	<b>34,120</b>	<b>(35,147)</b>	<b>(2,195)</b>	<b>-</b>	<b>53,535</b>
<b>General funds</b>						
SSAFA Family Health Services	(442)					(194)
SSAFA Forces Help Enterprises Limited	(80)					(110)
SSAFA CMS Limited	(2)					(2)
<b>Total funds — Charity</b>	<b>56,233</b>					<b>53,229</b>

# 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%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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)
<b>Net pension liability</b>	<b>-</b>	<b>-</b>

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)
<b>Closing defined benefit obligation</b>	<b>83,512</b>	<b>71,427</b>

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)
<b>Closing fair value of employers assets</b>	<b>83,512</b>	<b>71,427</b>

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
	<b>146,479</b>	<b>139,076</b>

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
<b>Defined benefit costs recognised in the Statement of Financial Activities</b>	<b>-</b>	<b>99</b>

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
<b>Net loss</b>	<b>87</b>	<b>36</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

## 23. RETIREMENT BENEFITS (continued)

	2023 £'000	2022 £'000
<b>Reconciliation of opening and closing deficit:</b>		
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)
<b>Deficit at end of the year</b>	<b>-</b>	<b>-</b>

### 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
	Projected service cost	131	144	147	151
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
	Projected service cost	148	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
	Projected service cost	166	151	147	144
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
<b>Financial assets</b>	<b>37,886</b>	<b>39,134</b>
<b>Financial liabilities</b>	<b>3,113</b>	<b>3,639</b>
<b>Charity</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
<b>Financial assets</b>	<b>37,011</b>	<b>38,406</b>
<b>Financial liabilities</b>	<b>2,531</b>	<b>3,292</b>

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

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](https://ssafa.org.uk/forcesline)**

To make a donation to support our Armed Forces family:

■ Visit **[ssafa.org.uk/give](https://ssafa.org.uk/give)**



**ssafa** | the  
Armed Forces  
charity

Regulars | Reserves | Veterans | Families

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Scotland Number SC038056 and in Republic of Ireland Number  
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