

THE SALVATION ARMY SOCIAL WORK TRUST

England & Wales · Charity number 215174

Details

Other names	THE SALVATION ARMY SOCIAL WORK, THE SALVATION ARMY SOCIAL SERVICES
Status	Registered
Legal form	Trust
Registered	1963-02-13
Register	View on the Charity Commission register

Contact

Address	The Salvation Army 1 Champion Park London SE5 8FJ
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Website	www.salvationarmy.org.uk

Activities

Objects: (1) RELIEF OF POVERTY SICKNESS SUFFERING DISTRESS INCAPACITY OR OLD AGE. (2) ADVANCEMENT OF EDUCATION. (3) TRAINING IN CHRISTIAN AND MORAL PRINCIPLES. (4) ASSISTANCE OF THOSE IN NEED OF PROTECTION.

Activities: The provision of supported accommodation for homeless people Older peoples housing and supportWork to help unemployed people back into workAnti-Human Trafficking workAddiction Support ServicesOutreach programmes and services to communitiesFamily tracing serviceFrontline assistance to emergency services personnel and people affected by disasters

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** Education/training, The Prevention Or Relief Of Poverty, Accommodation/housing, Economic/community Development/employment, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups, The General Public/mankind

Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£239,727,000	£235,035,000	£446,957,000	2016
2024-03-31	£239,960,000	£231,571,000	£443,020,000	2287
2023-03-31	£252,746,000	£219,009,000	£409,949,000	2228
2022-03-31	£201,362,000	£187,029,000	£375,387,000	1847
2021-03-31	£172,706,000	£162,182,000	£349,664,000	2626

Trustees

Name	Role	Appointed
THE SALVATION ARMY TRUSTEE COMPANY		

Linked charities

- TERESA FUND (215174-1)
- J B CRICHTON BEQUEST (215174-10)
- JAMES BENNETT AITKEN BEQUEST (215174-11)
- HENRY BRODERICK BEQUEST (215174-12)
- BLACKMORE MISSIONS FUND (215174-13)
- MISS E J BULLER BROWNE (215174-14)
- RICHARD CORY TRUST (215174-15)
- GEHLE TRUST (215174-16)
- GEORGE BURRILL BEQUEST (215174-17)
- EDWIN DALTON BEQUEST (215174-18)
- MARY JANE FOWLER BEQUEST (215174-19)
- MRS E W M ANDERSON BEQUEST (215174-2)
- W J FREETH BEQUEST (215174-20)
- MISS M FALCONER BEQUEST (215174-21)
- MISS E C D FRAZER BEQUEST (215174-22)
- MRS E KENNEDY BEQUEST (215174-23)
- ALEXANDER KING BEQUEST (215174-24)
- JOHN GAUNT BEQUEST (215174-25)
- JOHN TAYLOR GREY BEQUEST (215174-26)
- ALFRED HARTWELL BEQUEST (215174-27)
- MISS M B HILL BEQUEST (215174-28)
- G T HOPKINS BEQUEST (215174-29)
- JAMES WHITE (STOCKTON) (215174-3)
- E CECIL JONES BEQUEST (215174-30)
- W F C JUDSON BEQUEST (215174-31)
- MISS MARGARET LARGE BEQUEST (215174-32)
- MRS G E MARCUS BEQUEST (215174-33)
- MABEL MARSHALL BEQUEST (215174-34)
- C J AND E J MELBOURNE BEQUEST (215174-35)
- ARTHUR JAMES MIDDLETON BEQUEST (215174-36)
- MRS MAGGIE DONALD RANKIN BEQUEST (215174-37)
- MISS MARGARET TULLOCH BEQUEST (215174-38)
- JANE P WEBSTER BEQUEST (215174-39)
- JAMES WHITE (WSM) (215174-4)

- WILLIAM WILSON BEQUEST (215174-40)
- MRS CAPEL MORRIS BEQUEST (215174-41)
- WILLIAM PRESCOTT BEQUEST (215174-42)
- MRS ROBINSON BEQUEST (215174-43)
- SARIA SEARE BEQUEST (215174-44)
- MISS E E STEPHENSON BEQUEST (215174-45)
- J B STYRING BEQUEST (215174-46)
- E A TODD BEQUEST (215174-47)
- FREDERICK JOHN VARLEY BEQUEST (215174-48)
- HOLMES WRIGHT BEQUEST (215174-5)
- ANONYMOUS (NAIRN) (215174-6)
- ISOBELLA BARR (215174-7)
- WILLIAM BEATTIE BEQUEST (215174-8)
- MARION L BUCHANAN BEQUEST (215174-9)

THE SALVATION ARMY SOCIAL WORK TRUST

England & Wales - Charity number 215174

Accounts

**THE SALVATION ARMY
UNITED KINGDOM AND IRELAND TERRITORY**

**THE SALVATION ARMY SOCIAL WORK TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE UNITED KINGDOM IN THE YEAR ENDED
31 MARCH 2025**

**CHARITY REGISTRATION NO: 215174
SCOTTISH CHARITY REGISTRATION NO: SC037691**

Principal Office
Territorial Headquarters: 1 Champion Park, London, SE5 8FJ
www.salvationarmy.org.uk

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INTRODUCTION FROM THE TERRITORIAL LEADERS

Commissioner Paul Main and Commissioner Jenine Main

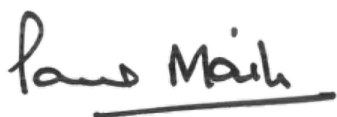
As Territorial Leaders of The Salvation Army in the United Kingdom and Ireland, it is with immense gratitude that we introduce this Annual Report and Accounts for the Salvation Army Social Work Trust for 2024/25. Over the year we had the wonderful and humbling privilege of journeying right across the territory and witnessing first-hand the grace of God in action in communities throughout the United Kingdom, Ireland, the Channel Islands and the Isle of Man. Our hope and our prayer is that as you read this report you will experience the same sense we have had of a transformational movement making a real difference at the heart of so many of our communities.

Since we took up leadership of the Territory, we have been drawn to the early chapters in the Old Testament book of Joshua. There, we find an emphasis on the importance of courage, strategic planning, personal responsibility and commitment. These qualities we have discovered in abundance amongst our officers, employees, members and partners who every day selflessly minister, serve and lead in their communities. We have been greatly moved by some of the stories they have told us, many of which are narrated for you in this report. These are stories of hope and transformation, of people supported to overcome personal challenges and difficult circumstances often not of their own making. We guarantee that as you read them you will find plenty of inspiration drawn directly from the lives of ordinary people in ordinary neighbourhoods right across the land.

We have also become aware of the increasing social challenges evident in many of our towns and cities. As the cost of living has soared, so have the number of people presenting themselves to us in need of assistance. Whilst this has put great strain not just upon our local churches but also our centralised contracted services which are the focus of this Report and Accounts, we have been delighted to see the creativity and resourcefulness of our personnel, seeking new ways to serve without discrimination. New partnerships have been forged to face the rising tide of increased poverty, and together with a deeper integration of our varied services, we have, with God's help, been able to rise to the challenge. We are also incredibly grateful for the many people who have shown extraordinary generosity towards our work, financially supporting us despite challenging economic times. We pride ourselves in ensuring that every donation, big or small, is put to good use and offer here a sincere and heartfelt 'thank you' - we could not do what we do without your support.

As we reflect on the last year, we looked back and gave thanks to God for his faithfulness, and for walking with us every step of the way. This has given us a sustaining hope for the future. May you have your own glimpse of this hope as you read on.

Thank you for your help and support, and may God bless you.

A handwritten signature in dark ink, reading "Paul Main". The signature is written in a cursive style with a horizontal line underneath the name.

Commissioner Paul Main
Territorial Commander of The Salvation Army in the United Kingdom and Ireland

THE OBJECTS OF THE SALVATION ARMY SOCIAL WORK TRUST

Promoting the charitable work of The Salvation Army in such one or more of the following ways as The Salvation Army Trustee Company shall think fit, namely:

- the relief of poverty, sickness, suffering, distress, incapacity or old age
- the advancement of education
- training in Christian and moral principles
- the assistance of those in need of protection

OUR VISION, MISSION AND VALUES

Our Vision, Our Values and our five Mission Priorities inspire and guide all the work we do as a church and as a charity.

Whilst The Salvation Army operates through two main charitable trust registrations, (see below, page 7) we have one unifying vision statement and mission priorities and values that guide us in all we do.

Our Vision, Mission and Values statements powerfully communicate our sense of purpose and direction for The Salvation Army in the United Kingdom, Ireland, the Channel Islands and the Isle of Man. The aim is that every expression of The Salvation Army, our corps (churches) and community centres and residential centres all seek to deliver the same five mission priorities to strive to deliver the one overall Vision Statement. Their simplicity and boldness mean that all areas of the diverse work of The Salvation Army can be both anchored and inspired by them.

Our Vision Statement:

Our Vision:
Fullness of life
for *all* with Jesus

This is 'Our Vision' for every part of The Salvation Army. It is inspired by the words of Jesus: ***'I have come that they may have life, and have it to the full'*** (John 10:10 NIV).

No words can adequately capture the vision of boundless salvation that God intends for the world and everything in it. However, 'Fullness of life for all with Jesus' includes every aspect of Salvation Army life. We believe everyone can enjoy fullness of life with Jesus. It is aspirational - we are not there yet - but this is what we strive towards.

Our Five Mission Priorities:

Our Mission:

To *share* the good news

To *serve* others without discrimination

To *nurture* disciples of Jesus

To *care* for creation

To *seek* justice and reconciliation

Our Mission is built on five priorities which are the drivers for all we do, how we do it and why we do it, across the entire organisation.

These short phrases communicate immense challenge, ambition and direction. When these priorities are present, The Salvation Army is working towards our vision of 'Fullness of life for all with Jesus'.

Each of the five priorities of Our Mission is rich in meaning and helps us explain to 21st-century society why the Christian message and the work of The Salvation Army is relevant and desperately needed in our communities and nations.

They are not arranged hierarchically but overlap and mutually support each other.

- **SHARE THE GOOD NEWS:** At the heart of The Salvation Army's mission is a passion to proclaim the good news of Jesus Christ far and wide. This is not an optional extra. The Salvation Army only does what it does because our inspiration and vision come from people's ongoing relationship with Jesus. We know the difference our relationship with God makes in our lives and we don't want anyone to miss out.
- **SERVE OTHERS WITHOUT DISCRIMINATION:** The Salvation Army responds to people without discrimination. God calls us to be with the people we serve. In 'being with' people - as against 'doing for' people - together we find solutions and make progress because we are all made in the image of God. We are called to share love in a too often loveless world. 'Love God, Love Others' inspires every aspect of our work.
- **NURTURE DISCIPLES OF JESUS:** The future of The Salvation Army depends on nurturing current and future generations of Christian disciples who, filled with the Holy Spirit, share the good news of Jesus, resulting in more disciples. Like athletes, Christian disciples need to practise staying fit for God's demanding mission. Habits such as prayer, Bible reading, corporate worship, music, tithing and helping others are vital. The Salvation Army believes being a disciple of Jesus and experiencing the blessing of holiness is the way to experience fullness of life.
- **CARE FOR CREATION:** The Salvation Army is committed to helping change attitudes, resulting in a more responsible use of our planet. We seek to provide practical care and advocacy for people affected by damage to the environment. People will not experience fullness of life unless God's creation is protected and cared for.
- **SEEK JUSTICE AND RECONCILIATION:** People can experience a fuller life on Earth. God longs for justice for all people. Therefore, The Salvation Army has always spoken out against injustice. We fight not simply the effects of injustice but also the systems and structures that enable injustice. Seeking reconciliation is also an essential part of The Salvation Army's vision of the

good life. Peace and fullness of life is possible when justice and reconciliation are priorities in the lives of individuals, communities and nations. The Salvation Army is committed to work in partnership for these ends.

Our Values

- Boldness
- Compassion
- Passion
- Respect
- Integrity
- Mutual accountability

Our Values are for everyone involved in The Salvation Army and should be reflected in our behaviour and result in good relationships and increased wellbeing and help us integrate what we do with how we do it.

The basic standard of Christian behaviour, derived from our understanding of the character and action of God, is love, so we need continually to be drawn back to understand how God is asking us to live and work together to help us be faithful to our calling to be God's people.

- **Boldness:** We will courageously and confidently share the good news, seek justice and reconciliation, nurture disciples of Jesus, serve others without discrimination, and care for creation.
- **Compassion:** We will serve with the unconditional love and grace of God as the pattern for our behaviour.
- **Passion:** We will bring our best selves, our God-given energies and convictions, to our work, service and learning, whether as officers, members, employees or volunteers.
- **Respect:** We will receive each person with the dignity of those created in the image of God, while seeking the transformation God provides.
- **Integrity:** We will be honest and transparent in all our dealings with each other and those we serve, being open about our motives and agendas.
- **Mutual accountability:** We will willingly and freely give full account for our actions to those we interact with and expect the same in return.

Our Statement of Commitment:

We have one simple statement to explain why we are here, which frames all we are and all we do as a church and charity. Four words achieve this:

'Love God, Love Others'

This is based on Jesus' greatest commandment in Matthew 22:37-39 to 'Love the Lord your God' and to 'love your neighbour as yourself'. 'Love God, Love Others' underpins, inspires and motivates everything we do, in every part of The Salvation Army. It is a powerfully simple 'explainer' of what we are here to do and how we strive to deliver our vision.

EXPLAINING OUR STRATEGY, STRUCTURE AND OPERATION

Our two principal charitable registrations:

The Salvation Army operates through two principal charitable trusts: The Salvation Army Social Work Trust (this report) and The Salvation Army Trust.

This Report and Accounts outlines the work of **The Salvation Army Social Work Trust (Charity Registration number 215174)**, which is the charity registration through which we manage our extensive residential and regulated programmes for people experiencing homelessness our care homes for older people, residential detox centres, family centres, refuges for victims of domestic violence, safe houses and services for the victims and survivors of modern slavery and human trafficking, and our Employment Plus services. Some of these services, whilst centrally regulated, are run at corps (church) and community centres and complement the other locally based services, for example, employment programmes. The consolidated accounts also include Salvation Army Homes (SAH), Kingsown Limited and SAH Development Limited which are subsidiaries of The Salvation Army Trust.

These services are managed in a top-down model due to the vulnerability of the people needing help and because of statutory regulations and contract requirements. Much of the funding for The Salvation Army Social Work Trust derives from government and local authority contracts and substantial, additional funding comes from The Salvation Army Trust.

The work of The Salvation Army Social Work Trust does not represent the entirety of The Salvation Army's work in the UK. Alongside our centrally managed and coordinated services which this report covers, we run extensive programmes of engagement and support which are delivered through our 589 local corps (churches) and our community centres. Much of the funding for the work of The Salvation Army Trust derives from public donations, legacies, trading activities and church members. Whilst this is still the 'work' of The Salvation Army, the finances of these locally based operations are managed and reported on through a separate charity registration, **The Salvation Army Trust (Charity Registration number 214779)** which has its own Report and Accounts and form a 'sister' publication to this one.

Together both Trusts reflect the life and work of The Salvation Army as a whole and exist to enable effective management and accountability for the two main ways in which we work.

Our organisation

The Salvation Army was founded in 1865 by William and Catherine Booth and currently operates in 134 countries. The world leadership of The Salvation Army is provided by The General of The Salvation Army.

The General is assisted by officers and staff based at International Headquarters in London. The current General is Lyndon Buckingham who was elected in May 2023.

The United Kingdom and Ireland Territory is under the command of a Territorial Commander, appointed by The General and responsible to him/her for the day-to-day administration of Salvation Army work throughout the British Isles, including the Channel Islands, the Isle of Man and the Republic of Ireland. Commissioners Paul and Jenine Main are the leaders of The Salvation Army in the UK and Republic of Ireland, having been appointed in January 2024.

Summary of what The Salvation Army Social Work Trust does

- We provide single people and families who are experiencing homelessness and people suffering from addictions with high-quality residential accommodation, care and support, encouraging their ability to live independent and positive lives.
- We provide vulnerable older people, particularly those with limited resources, with residential care which recognises individuality and the spiritual dimension to life.
- We provide unemployed people, including those in our residential homelessness centres, with back-to-work schemes through Employment Plus.
- We provide survivors and potential victims of modern slavery specialist support which includes transport, a safe place to stay and outreach support, as well as community integration as they continue their journey of recovery and rebuilding their lives.
- We reunite families who have lost contact and help to bring about happy reunions.
- We work in partnership with local authorities and other agencies where relevant to provide the best outcomes for our service users.
- We speak with national and local government to influence policy on issues affecting our service users.
- We strive to achieve our vision of 'fullness of life for all with Jesus' in everything we do through five Mission Priorities: share the good news, serve others without discrimination, nurture disciples of Jesus, care for creation, seek justice and reconciliation. Operationally we are prioritising transformation, integration and streamlining to increase our effectiveness and impact.

The scale of the work of The Salvation Army Social Work Trust in the UK

12 Care Homes for Older People

Belfast:	Sir Samuel Kelly Care Home (accommodation 56)
Buxton:	The Hawthorns (acc 27)
Coventry:	Youell Court (acc 40)
Edinburgh:	Davidson House (acc 40), Eagle Lodge (acc 35)
Hassocks:	Villa Adastra (acc 40)
London:	Glebe Court, Lewisham (acc 36)
North Walsham:	Furze Hill House (acc 40)
Prestwich:	Holt House (acc 31)
Sandridge:	Lyndon (acc 32)
Southend-On-Sea:	Bradbury Home (acc 34) - closed Dec 2024
Weston-super-Mare:	Dewdown House (acc 40)

9 Centres for Families (Residential)

Belfast:	Glen Alva (acc family units 20, max 77 residents)
Belfast:	Grosvenor House (acc family units 19, max 76 residents)
Belfast:	Thorndale Parenting Assessment (3 family units)

Belfast:	Thorndale Family Centre (family units 31, single bedrooms 4, max 125 residents)
Fleetwood:	George Williams House (acc family units 9, max 36 residents)
Milton Keynes:	Springfield House (acc 16 flats)
Portsmouth:	Catherine Booth House (acc family units 21, max 40 residents)
Portsmouth:	St Paul's House (acc family units 21, max 84 residents)
Portsmouth:	St Monica's House (acc family units 10, max 40 residents)

2 Centres for People with Learning Disabilities

Kilbirnie:	George Steven Community Hub
Liverpool:	Strawberry Field

Centre for Employment and Training

Hadleigh:	Hadleigh Farm Estate

5 Centres for Single Homeless Young People

Cardiff:	Northlands (acc 26)
Cardiff:	Ty Diogel (accom 8), Age Assessment House (accom 6),
Fleetwood:	George Williams House (acc 6)
London:	Springfield Lodge (acc 40)
London:	Greig House, Tower Hamlets (accom 20)

5 Homelessness Day Care / Drop-In

Bradford:	Day Centre
Edinburgh:	Niddry Street
London:	No 10 Project
Norwich:	Pottergate Arc
Coventry:	STEPS

4 Housing First Programmes

Cardiff
Glasgow
South Lanarkshire
Merthyr Tydfil

11 Non-Residential Homelessness Services

Aberdeenshire Floating Support
Cardiff Floating Support and outreach services
Early Intervention Project - York
Inverness Floating Support
Greenock Floating Support
Glasgow WAY-Finder Outreach Service
Southwark Floating Support
North West Refugee Floating Support
Denbighshire floating support
Booth House Swindon - Floating Support
Newport Outreach Support Service

43 Centres for Single Homeless (Adults)

Belfast:	Centenary House (acc 88) and Calder Fountain (acc 12)
Blackburn:	Bramwell House (acc 55)
Bradford:	The Orchard (acc 42)
Braintree:	New Direction Centre (acc 14)

Bristol:	Logos House (acc 83)
Cardiff:	Tŷ Gobaith (acc 70)
Coventry:	Harnall (acc 85), Axholme House (acc 32)
Denbighshire multi occupancy housing support - 1 current house with 6 bedrooms and another 4 coming on in the coming year. Total capacity of citizens across the 5 properties (including 35 River Street) is 81.	
Dundee:	Strathmore Lodge (acc 25), Burnside Mill (acc 20)
Edinburgh:	The Pleasance (acc 38), East Adam Street (acc 8)
Cambuslang:	Eva Burrows 1st Stop Project (acc 32),
Glasgow:	Huntershill Court (acc 14), Wallace of Campsie House (acc 52), William Hunter House (acc 37)
Grimsby:	The Booth Lifehouse (acc 35)
Hamilton:	Support Service (acc 150)
Huntingdon:	Kings Ripton Court (acc 36)
Ipswich:	Lyndon House (acc 38)
Liverpool:	Ann Fowler House (acc 38), Darbyshire House (acc 45)
London:	Cambria House (acc 48), Founders House (acc 123), Riverside Complex (acc 60), St Ann's - NHS (Acc 5 & Working beds 4)
Manchester:	Discovery House (acc 10), Endeavour House (acc 15), Independence House (acc 15)
Perth:	Skinnergate (acc 30)
Plymouth:	Devonport House (accom 60), Zion House 12 flats
Reading:	Shepton House (acc 16), Willow House (acc 38)
Ryde, IOW:	Fellowship House (acc 26), Melville Street (acc 7), Carisbrooke Priory (acc 14)
St Helens:	Salisbury House (acc 64)
Sheffield:	Charter Row (acc 55), Lincoln Court (acc 11 self-contained units)
Skegness:	Witham Lodge (acc 28), Rookery Nook (acc 11)
Southampton:	Booth Centre (acc 46 +10 'somewhere safe to stay')
Sunderland:	Swan Lodge (acc 65)
Swindon:	Booth House (acc 50)
Warrington:	James Lee House (acc 54)

Family Services

Birmingham Shepherds Green House (19 families Domestic Abuse Service)

Veterans Services

Wrexham: Tŷ Dewr (acc 12)

3 Child Contact Centres

Worthing

Winton

Birmingham

ATMS Safe Houses

Bradford:	14 beds
Leeds:	6 beds
Leeds:	3 beds
Newcastle:	15
London (Westminster):	15
London (West London):	15
Nottingham:	8
Bath:	32

ATMS Outreach Services

London - Outreach
Nottingham - Outreach
Derby - Outreach
Leicester - Outreach
Northampton - Outreach

Registered with Care Inspectorate Wales
Cardiff Ely Creche

In addition, our Employment Plus programmes operates at 290 locations across the UK, supporting, coaching and helping thousands of people into work across the UK. We also operate an extensive network of safe houses for the survivors of modern slavery.

How We Work

Our Social Work Trust, for which this is the Annual Report and Accounts, is the charitable registration through which we allocate and manage funds for our (principally) residential centres and centrally co-ordinated operations. Much of the funding for this work is received through government and local authority contracts and grants, with the cost of the additional support, wellbeing and training services being met from a grant from our sister charity, The Salvation Army Trust. To see the full picture of our work, you will need to read both sets of Reports and Accounts.

While The Salvation Army Social Work Trust is not unique as a provider of centrally co-ordinated residential and support services, it is certainly distinctive in terms of its structure, and this distinctiveness gives us a real opportunity to go about our work in impactful ways.

The Salvation Army is a church and charity that doesn't just help people by providing immediate, practical support to overcome issues such as addiction, homelessness, social isolation or poverty and recovery from slavery; it also strives to address the reasons that cause these situations, with a view to effecting sustainable change in individuals and society at large.

What sets The Salvation Army apart from other organisations is that we have the combined strength of our centrally co-ordinated services and our locally co-ordinated churches and community centres which are all playing their part to bring about positive change. When this really comes together, as it does in many places across the UK, it models what we call 'integrated mission'.

Many of the programmes funded by The Social Work Trust support people facing complex challenges. Therefore, a more centralised organisational approach is appropriate for people experiencing homelessness or a survivor of modern slavery or a person recovering from addiction. Many of these services are also regulated and therefore require centralised or coordinated reporting.

This contrasts to the approach used in many of the programmes funded by the Salvation Army Trust which tend to be less centralised and more 'organism' than 'organisation'. The Salvation Army accommodates these differences through different management structures to ensure support and oversight is appropriate in differing contexts.

Our strategy in the Social Work Trust has been to ensure that the work whether it is residential or delivered locally, is effective and efficient, compliant, and as transformative and as supportive as possible, and that all we do starts with the needs of people we serve. That is why in addition to statutory funding we are committed to deploying additional Salvation Army funds granted to the Social Work Trust from The Salvation Army Trust, in order to provide the best possible additional support services we can, in order to achieve the best outcomes for the people in our care.

While we have ongoing contractual commitments which it is our mission to meet, we are always looking to ensure that opportunities to make additional differences are identified, assessed, and when possible seized. Our strategy therefore is one of controlled and best possible ongoing delivery, and at the same time a disciplined ambition to do as much as we can in ways that are as meaningful and innovative as we can, in as much of the UK as we can.

The Salvation Army Trust provides, and cross charges for, centrally co-ordinated facilities - such as HR, finance, property, IT, PR and media support to The Salvation Army Social Work Trust. This approach enables us to be efficient and effective in the use of resources.

ILLUSTRATING THE WORK AND ACHIEVEMENTS OF THE SALVATION ARMY SOCIAL WORK TRUST 2024/2025

Our extensive, centrally coordinated work is funded by The Salvation Army Social Work Trust ('The Social Work Trust'). It includes residential programmes for people experiencing homelessness, addictions services, older people's care homes, employment services and family centres.

Much of the funding for this work derives from government and local authority contracts, and substantial supplementary transfers from The Salvation Army Trust.

This year we have and will continue to focus on two of our largest operations: modern slavery and homelessness but we also illustrate other vital areas of mission that is funded through The Social Work Trust.

General election - seeking the best for our communities

In the run-up to the UK General Election, the Public Affairs Unit produced a principles-based manifesto setting out key concerns in the themed areas of Overcoming Poverty, Seeking Safety and Security, Living with Dignity, and Building a Flourishing World, as well as a suite of materials to enable the local Salvation Army presence to encourage and help people to register to vote. A number of webinars were also held, to help local expressions use these resources and plan their engagement with candidates and campaigns.

Anti-trafficking and modern slavery

Why we do this work

The Salvation Army has supported and worked with people who have been trafficked and exploited since 1865. Today this work continues within The Anti-Trafficking and Modern Slavery Department (ATMSD) in the United Kingdom and Ireland Territory (UKIT).

Victims of human trafficking and modern day slavery have been subjected to forced labour, sexual exploitation, domestic servitude, and criminal exploitation. They have often experienced long-lasting trauma, stigma, and barriers to recovery. Many lack access to safe and stable housing, mental health support, education, employment, and legal representation.

During the year, we remained dedicated to our mission:

- preventing modern slavery and human trafficking

- protecting survivors
- supporting their journey towards sustained freedom
- enhancing community resilience against trafficking.

Trusted to make a difference

The Salvation Army has held the Modern Slavery Victim Care Contract (MSVCC) for England and Wales since July 2011. Survivors of modern slavery can receive support at all stages of their recovery, including:

- Legal and financial support
- Medical care
- Counselling
- Education opportunities
- Safe place to live
- Outreach support
- Specialist support worker
- Interpreting services

This year, we marked the 14th year of providing specialist support. We worked with specialist partners and also had our own Direct Delivery service, offering safe house accommodation and outreach support.

Last year there were 2,741 referrals through the MSVCC:

- 1,660 (61%) identified as male
- 1,075 (39%) identified as female
- 6 (>1%) identified as transgender

Nature of exploitation:

- 1,754 (64%) experienced forced labour
- 533 (19%) experienced sexual exploitation
- 277 (10%) experienced criminal exploitation
- 158 (6%) experienced domestic servitude
- 17 (1%) experienced complex, unknown form of exploitation
- 2 (>1%) experienced organ removal

Taking into account those people already in the service, a total of **9,818 people** received support during the year.

Speaking out for victims

Source: <https://www.salvationarmy.org.uk/news/new-bill-may-leave-modern-slavery-victims-without-protection>

The Border Security, Asylum and Immigration Bill was introduced on 30 January 2025. We were pleased to see that it repealed many of the harmful modern slavery provisions in the Illegal Migration Act 2023. Our concern was that, if enforced, it could have denied protection and support to many survivors who arrived or were trafficked into the UK by irregular routes.

We also welcomed the removal of the Safety of Rwanda Act. This could have subjected survivors of modern slavery to deportation instead of receiving the specialist care and support they need to recover from exploitation.

However, we expressed concern that the new Border Security, Asylum and Immigration Bill did not go far enough to ensure all slavery survivors could access the vital support services we and our partners provided.

This is because it has kept a measure from the Illegal Migration Act regarding people who could be disqualified from protection because they have previously had a prison sentence. We believe it risked excluding trafficking survivors who were forced to commit crimes under duress by their traffickers from receiving support.

We know that many of the survivors we support at The Salvation Army are forced into criminality by their exploiters. We were disappointed that there were not opportunities to share our expertise on the needs of survivors - expertise we have gained by listening to their voices - before this Bill was published.

Cuts to backlog welcomed

Data released by the Home Office showed a reduction by almost 40 per cent since last year in the backlog of decisions in conclusive grounds cases for people in the National Referral Mechanism. This is the government's system for identifying and protecting potential victims of modern slavery.

We were greatly encouraged by the news. These decisions came after thorough review of each person's case by the Government and were a crucial step in enabling survivors to move forward towards independence with greater certainty.

Major Kathy Betteridge, Director of Anti Trafficking and Modern Slavery for The Salvation Army said: 'The people we support tell us that living in limbo can cause unnecessary additional stress in their lives when they have already endured profound suffering at the hands of their exploiters. Survivors and their support workers will join us in welcoming this news.'

Working collaboratively

The advantage of being an international movement - BEYOND programme

This programme supported slavery survivors through Salvation Army networks internationally. It connected survivors and their families with information and support, recognising that survivors' lives often extended beyond borders.

It focussed on return and re-integration, support to family separated overseas and cultural exchange. It did this through working with designated referral partners in the UK and internationally using the National Contact Persons (NCPs) around the world.

Over 120 NCPs responded to trafficking through the international strategy. Each NCP was a designated 'point person' to respond to modern slavery and human trafficking in their territory. They connected, shared best practice, undertook training and learned from one another.

Lieut-Colonel Jin-young Ma from The Salvation Army's Korea Territory said: 'I have been an NCP for almost two and a half years. My role involves raising awareness in a variety of ways. This includes encouraging participation in the International Day of Prayer for Victims of Human Trafficking in September and conducting awareness training.'

Last year our international work through NCPs:

- assisted 57 survivors with international return
- supported 26 families of survivors
- signposted 11 survivors to alternative organisations such as family tracing.

We also supported 15 projects/territories across Africa, Asia and Europe.

UKI territory

We worked collaboratively across other Salvation Army departments - including Employment Plus, Community Services, Youth and Children and local Salvation Army corps - to mobilise resources and create awareness of trafficking and modern slavery.

Salvation Army Corps provided space, resources, and activities which are crucial for supporting survivors to reintegrate into community life.

The team also worked with a network of dedicated volunteers who supported survivors throughout their journey, their roles included:

- acting as First Responders at the point of rescue
- transporting individuals to safety as drivers
- providing mentoring support to survivors in the community.

These efforts collectively enhanced the support and care provided, ensuring a comprehensive and compassionate approach to recovery and reintegration.

Last year:

- 12 survivors accessed mentoring support in the community for their reintegration
- 2 Conversation English Clubs (6-week sessions)
- 373 active volunteers
- 54 new First Responder volunteers recruited
- 51 new Transport volunteers
- 396 First Responder referrals into the National Referral Mechanism
- 753 journeys undertaken by transport volunteers to ensure survivors' safety.

Raising awareness

Hidden in plain sight?

We emphasised the importance of educating communities vulnerable to the snares of the human traffickers, and to question proposals from strangers. Keeping the issue of human trafficking in the public eye also remained a major focus for Major Kathy Betteridge and her team.

We ran campaigns to help make sure the public could recognise the signs and report it.

You could come into contact with a victim of modern slavery without even realising, but there can be some tell-tale signs:

They may look ANXIOUS, DISHEVELLED, or MALNOURISHED.
They may have UNTREATED INJURIES.
There may be SOMEONE ELSE PAYING FOR THEIR TRAVEL.
They may have SOMEONE SPEAKING FOR THEM.
They MAY NOT BE SURE OF THEIR OWN ADDRESS.

If you have come into contact with someone who you suspect may be a victim of modern slavery and in need of help, phone our free 24/7 confidential referral helpline: 0800 808 3733.

Watch a video explaining the signs at salvationist.org.uk/anti-slavery-day.

#WeAreNotForSale

This temporary shop product-style barcode tattoo campaign - saw a significant increase in the number of people wearing the tattoos, sharing social media posts, and generally engaging, with this campaign which provides opportunities for people to show solidarity with survivors of modern slavery.

Policy influence

The Salvation Army remained committed to improve the protections available to those who have been exploited and trafficked. The Salvation Army has the recognition, trust and ability to speak to those in positions of power and to enact change.

We worked with colleagues from across the sector and with Parliamentarians from all political parties to protect and push for improvements to the systems in place.

Advocacy

We also advocated on behalf of survivors and included survivor voices in advocacy to promote public awareness of trafficking and modern slavery and its impact on human lives.

Last year, we reached 2,127 people through 44 awareness sessions and delivered training to a range of groups including the NHS, prison staff, government officials, schools, Salvation Army Corps, and general communities, including volunteers.

Voices of volunteers

Our volunteers remained a key part of our team, giving their time, energy and expertise. Three volunteers told us about their role:

Chris - first response volunteer

'I interview the survivor, by phone, video link or face to face, mostly with the assistance of an interpreter. Typically, it takes two to three hours. I submit a report to the Home Office for a decision on the person's eligibility to receive a range of time limited support.

It's very rewarding to be instrumental in getting support for traumatised people who have often endured unimaginable abuse and exploitation.'

Val - transport volunteer

'I take victims of modern slavery and trafficking to a place of safety. I am given a pick-up and a drop-off address for a safe house. For longer journeys I may switch with other volunteers.

I travel with a chaperone; we care for the service users and ensure that they have eaten. You need to have empathy and be compassionate, as service users are vulnerable and often distressed, anxious or frightened and many do not speak English.'

Iker - mentor volunteer

'By offering support, guidance and a listening ear, I help people rebuild trust, regain control of their lives and work towards their personal goals.

It's rewarding to contribute to their recovery journey and to be part of an organisation committed to fighting exploitation. I've been able to direct them to local resources where they can improve essential skills, such as IT, which helps them become more independent and empowered.'

Voices of survivors

Rose's story

Rose, came to the UK when she was offered the opportunity to become a nanny for a wealthy couple. Her dreams of a new life quickly turned into a nightmare when she was forced to work gruelling 12 hour unpaid shifts at a restaurant owned by the couple for six days a week and ordered to do more chores at home on her day off.

'They watched me all the time, because every room had CCTV. They kept saying that they would fulfil their promise of helping me to study, but eventually I realised they had only brought me here to work for them as a slave,' said Rose

Mentally and physically abused by the couple, Rose was persuaded to go to the police by a regular customer at the restaurant who noticed that something wasn't right. Rose is now being supported in a Salvation Army safe house in the East of England. She said: 'I arrived at about two in the morning, but someone was there to greet me. She told me I had nothing to worry about now, that I was safe and that it was her job to protect me.'

Rose is now rebuilding her life with the help of The Salvation Army. 'I'm getting my confidence back. I know my future is very bright and hopeful. If one person is helped by hearing my story and doesn't have to suffer what I did, then I will be so glad', she said.

Survivors' song

'Dreams' international singing group is made up of survivors of modern slavery and Salvation Army support workers. Their song, The Survivors' Song (I Will Rise Up) pulled out a heartfelt message, which came from the group's own personal stories.

The line from the chorus was: 'I'll rise up 1,000 times, unafraid I will fight. And I'll never give up. I will survive.'

Nigel, one of the singers, said: 'Everybody has an experience. We have different journeys in life, and we wanted to put it into a song. All of us pitched in some lines. All of us contributed to form the song'.

The song is about helping each other to rise again. With support, people have the courage to move on, to rise up. Hearing the song for the first time made everyone feel very emotional.

Nigel said: 'We hope that, even though they may not have survived a modern slavery experience, they will get something from it that can inspire them and give them hope too.'

| [Listen to the song](https://salvationist.org.uk/survivors-song) - salvationist.org.uk/survivors-song

Helping people experiencing homelessness

Concern for growing crisis

In the first three months of 2025, there was an 11.4 per cent increase in households becoming homeless or at risk of homelessness, new figures showed. This was 6 per cent higher than in the same period last year and pointed to a growing homelessness crisis.

The statistics revealed that 38,440 households were threatened with homelessness and 7,780 households were not provided with accommodation because they were not in priority need.

We called for the government to take urgent action to prevent more people from becoming homeless. Specifically, we asked for the law to be changed so all those forced to sleep rough are deemed in priority need and offered temporary then longer-term accommodation.

To stop people becoming homeless in the first place, we also advised the government to maintain the local housing allowance so people on low incomes can afford rising rents.

Nick Redmore, The Salvation Army's Director of Homelessness Services, said: 'We are in the midst of a growing homelessness crisis. As these figures show, people living on the streets are just the tip of the iceberg. There are also thousands more, including children, living in temporary or emergency accommodation while others are forced to sofa-surf or sleep in cars and sheds'.

Update on our strategy

A year after The Salvation Army Homelessness Services Department (HSD) launched its 10 year Strategy '1,000 Voices' we provide an update on progress.

Each area across the territory developed its own contextualised Strategy and Action Plans which is also aligned to the Territorial Strategy and Action Plan. The Homelessness Services Department (HSD) restructured in order to build capacity and work in a smarter way to meet the challenges of the new strategy. Here are some of the ways we did this:

- investment in Chaplaincy to ensure that all HSD services have Chaplaincy provision
- prioritising integrated mission which saw HSD offer increased community provision in coordination with our Corps.

In terms of our service delivery, we took the following steps:

- commissioned self-funded beds so that The Salvation Army can provide increased accommodation and support around UK and in Ireland
- invested in changing our large buildings into smaller, self-contained provision over the next 20 years
- increasingly developed services that are non-accommodation based
- developed a more formalised process for co-producing and involving people living in and accessing our services
- ensuring our homelessness services are delivered through a harm reduction and trauma informed lens.

At the end of the year, our provision included -

- 57 Lifehouses
- 11 outreach centres
- 5 day centres
- 4 Housing First initiatives

Our strategy in action

Small, self-contained NAPpads

Across the territory, we have 1 NAPpad (Night-time Accommodation Project). During the year, we launched the first NAPpad in the northwest. It was installed in the car park of Salisbury House Lifehouse in St Helens.

Our pioneering NAPpads are moveable structures approximately the same size as a shipping container. The NAPpad incorporated four individual units equipped with a toilet, sink, bed, duvet, pillow and heating. These portable 'micro-flats' provided temporary accommodation that offered dignity, privacy and safety.

Each pad was fitted with innovative sensors that detected if someone had stopped breathing, giving responders vital minutes to save a life. Each pad also had an energy-efficient heating and water system and could keep someone safe using the same amount of energy per night as a domestic light bulb.

People could check in from 6pm and stay until 9am for up to three nights while alternative, longer-term accommodation could be found. If required, the NAPpads could be moved to different locations to meet local need. The Salvation Army worked in association with the council to accommodate people who had been referred by the local authority.

The St Helens unit was dedicated to the memory of the Lifehouse's service manager, Darren Mulcahy, who passed away suddenly in July 2024. A plaque to his memory was unveiled in the presence of his friends and family.

Early intervention and prevention

Salvation Army service manager Charlie Malarkey hosted a drop-in centre in York. He also walked the street to check on people experiencing homelessness. In addition, he restarted a boxing initiative that had been cut due to a lack of funds.

The club created connection and brought together people from all kinds of backgrounds. 'If you get people involved in something, you join them up with a community, with people from all faith groups in there, and it's really beneficial. Sometimes people ask if there's anyone they can chat to about spiritual matters while they're there,' Charlie said.

People aged between 15 and 85 attended sessions. They did circuit training and boxercise as well as the boxing sessions. Since they began, the boxing classes have had a huge impact on people within the community.

Charlie gave an example: 'One lad came from experiencing homelessness, addiction and prison. He has now got a job. He has passed a load of exams. He is working for a company where they absolutely love him and he has got his family back together. '

Housing First gets Royal visit

The Prince of Wales highlighted The Salvation Army's Housing First project when he fronted a two-part ITV documentary exploring solutions to homelessness.

In Prince William: We Can End Homelessness, the Prince, who is an ambassador for Homewards, a homelessness charity collaboration project, met Wayne Spencer at Windsor Castle.

Wayne is one of 24 former rough sleepers who have been provided with a home by the Housing First scheme in Cardiff, working with The Salvation Army. Housing First Programme Manager Jemma

Jones was also on hand to explain more about the scheme, which offers intensive support to long-term rough sleepers who have complex needs and moves them into their own accommodation.

Wayne had been homeless on and off since the age of 15, and struggled with drugs, alcohol and his mental health. But, as he told William, an encounter with Jemma and the Housing First programme changed his life. Wayne now no longer takes drugs, has reduced his alcohol intake and is back in contact with his daughters.

Spotlight on our Lifehouses

Across the territory, The Salvation Army operates 48 supported accommodation services called 'Lifehouses' (see pages 8-11). They are places to stay, get support with housing issues and also other aspects of life such as debt problems, training, addiction or mental health.

We share news from some of our Lifehouses this year.

Haven of hope - Fleetwood

A new communal space was officially unveiled at George Williams House, our Lifehouse in Fleetwood. The aim was to support the positive wellbeing of residents, on their journey to independent living.

The Lifehouse accommodated six young people from age 16-25 and nine families as they work with The Salvation Army to move on from a period of homelessness and transform their lives.

The space was called 'The Haven' and was located in the garden area, providing a tranquil calming space. Hayley Fletcher, programme manager for The Salvation Army's George Williams House said: 'Residents are always at the heart of everything that we do and so The Haven was created from the feedback we received from them, ensuring that we had something that would support the residents in their journey out of homelessness and improve their mental health and wellbeing at the same time.'

The space was created for use in all weathers and to be available at all times of the year with its own heating, lighting and electric supplies. Sustainable wood has been used throughout the structure and The Haven was built from funding received from runners in the 2024 London Marathon who fundraised to help us transform the lives of people experiencing homelessness.

Seeing a difference - Bradford

We have teamed up with Vision Care for Homeless People and Specsavers to offer an optician service at The Salvation Army's Bradford Orchard Lifehouse and Day Shelter.

The monthly service provided free eye tests and glasses for 50 people who were unhoused, many of whom have struggled with poor eyesight their whole lives.

Jordan Bruen, The Orchard's Day Shelter Programme Manager, said: 'This has been really successful. Speaking to clients, lots of people had not accessed opticians for years and had been going to pound shops to buy glasses. Obviously, their eyesight had been deteriorating and they'd not been able to do anything about it, they had just got used to having poor vision'.

One man in his sixties said it had been lifechanging. He'd never had prescription glasses before. He said 'I can see!' Jordan and his team reported that it was a massive step forward. They could tell he felt more confident walking around with his new glasses.

Selfless service recognised - Plymouth

Manager of The Salvation Army's Devonport House Lifehouse in Plymouth, Virva Martikainen, received recognition for her work with the homeless community. She was named as a finalist at the West Country Women of the Year awards, held recently at the Crowne Plaza in Plymouth.

Virva was nominated for the Inspirational Leader Award for her commitment to her team and the people whose lives she helps to transform and received a runner's up certificate.

Devonport House provides temporary accommodation and housing support for up to 60 people. It focuses on breaking the cycle of homelessness and addiction and helping people to move forward with their lives. The Lifehouse also has rooms for working individuals struggling with rental payments, giving them a chance to save and find more secure housing.

Since taking the helm at Devonport House in 2021, Virva has worked tirelessly to promote a trauma-informed approach to support individuals experiencing homelessness.

Virva's leadership extended to comprehensive staff training and the establishment of a bereavement support group for families affected by substance-related losses. With an open-door policy, she ensured that both service users and staff feel supported and heard.

Everyone's a winner - Manchester

The Orchard Lifehouse team from Bradford won the 2024 Partnership Trophy. The competitive five-a-side football tournament was run by The Salvation Army and its subsidiary, Salvation Army Homes. It brought together football teams from Lifehouses, supported housing, outreach programmes and drop-in services from around the UK. It helped raise awareness of homelessness, boost morale and improve positive wellbeing and mental health.

It was one of the many ways The Salvation Army promoted positive and independent living for its service users and reinforces that helping people to move on from homelessness is more than just providing a roof over someone's head.

Manchester City captain and England star Kyle Walker joined Celtic and Wales legend John Hartson to cheer on the 13th annual contest, which brought together 30 teams. John presented the trophy to the winning side and spoke to players about his career and own struggles battling cancer and a gambling addiction. He said: 'I thoroughly enjoyed today. The camaraderie is great. There's a lot of respect for each other'.

Best friends welcome - Sunderland

At Swan Lodge Lifehouse in Sunderland, residents who struggled with homelessness were allowed pets on site. It was seen as a key part of the support offered to residents who have struggled with homelessness.

'Animals help with mental health and wellbeing,' said Service Manager Christine Ritchie. 'It gives our residents a sense of purpose looking after something else, not just themselves.' There were seven dogs and three budgies, as well as some inquisitive seagulls.

Our housing partners - Salvation Army Homes

Salvation Army Homes is a diverse specialist provider of supported housing across England, managing or owning more than 4,000 homes. They provide supported housing and community solutions to homelessness in conjunction with The Salvation Army. Their principal focus is providing services to rough sleepers, young people experiencing homelessness, young mothers, families and ex-offenders.

During the year, Salvation Army Housing Association (saha) rebranded to become Salvation Army Homes. 'We're privileged to be part of the Army family and we want to be linked more closely,' said its Chief Executive, Lynne Shea.

Their new name is accompanied by the words 'Safe Homes, Transforming Lives'. It's a simple statement of their mission: to help some of the most vulnerable people in society feel safe, secure and happy in permanent home.

[Read more](#) about The Salvation Army's local response to homelessness in **The Salvation Army Trust** (Charity Registration number 214779) a 'sister' publication to this one.

Helping people into meaningful employment

We believe that everyone has a God-given purpose in life. We are called to live in a way that most appropriate to the opportunities provided by God.

Our employment services seek to give people a hand up, not a handout. We help people discover exactly what they are capable of and, wherever possible, to enable them to see that their best is God's plan for them. We want to help the unemployed and underemployed fulfil their potential by making a positive difference in their lives.

Employment Plus

The Salvation Army's Employment Plus service offered tailored support to help people become job-ready. Our aim was to help job seekers to get a job and stay in work.

We operated at the heart of communities in 418 locations across the territory. Our focus was on empowering individuals to overcome obstacles they face professionally and personally, and to fulfil their life ambitions.

Employment Plus has established a niche but well respected service helping people who face the biggest barriers to employment - such as a lack of up to-date skills, those who have been unable to search for work due to health problems, disability, or homelessness.

Often the service was delivered through our corps halls, taking a person-centred approach, finding out who they were and what might be preventing them finding employment.

Where programmes took place	Number of programmes
Salvation Army Corps	218
Salvation Army Community Centres	6
Lifehouses and Outreach	23
External locations e.g Jobcentre Plus	160
Prisons	11
General employment support	Number of people
Single enquiry	3,061
Starts on programme	4,502
Milestones	13,947
Jobs	840

Note: milestones included creating a new CV, work focused SMART action plan, training, work experience placement (one person can achieve more than one milestone).

Insight

90% of people using the service said they felt better about their mental health because they are engaged.

Some highlights from the year

▪ Rise in employability services

Services were established and expanded in various locations, such as Brighton, Canterbury, Stratford, and more. We addressed increasing referrals and built partnerships with local organisations to enhance community support. These services aimed to elevate employability prospects for individuals in need.

▪ New national event

The first employability and networking event was held at The Salvation Army Headquarters in June 2024. It included an interview skills workshop, fostering professional development and networking opportunities.

▪ Specialist work grew

Four UK Shared Prosperity Fund (UKSPF) contracts were launched, allowing for further expansion into specialist work for ex-offenders. The first 'behind the gate' provision at Featherstone prison began funded by the Ministry of Justice, offering vital reintegration support for prisoners approaching release.

Dan's story

Dan said that he had a criminal record the length of a Harry Potter novel. After 10 years of drug addiction and drug dealing, with time spent in prison, Dan rebuilt his life with the help of Employment Plus.

His rehabilitation has been supported by Kate Pope, employment development coordinator for the Army's service. Previously Kate had worked at HMP Liverpool, supporting the men inside with training, work and education opportunities.

Kate and Dan were known to each other in HMP Liverpool, but it was after Dan left prison that Kate got him registered with Employment Plus. 'We came up with a plan of action and spoke about training opportunities,' said Kate.

Dan met with Kate fortnightly over the past year to learn interview skills, write cover letters and apply for jobs. 'He's really intelligent,' Kate says. 'He's caring and nurturing. So I suggested we look at opportunities where he could advise and support others.'

Dan started work as a drug recovery champion for an addiction rehabilitation charity. He is indebted to Kate for seeing not the person he was but who he had the potential to be.

'She cares about the person sitting in front of her.' To Dan, Kate represented the best of The Salvation Army, inspiring him to write a poem celebrating her as 'a proper diamond'. 'Anyone involved with the Army clearly has the principle of forgiveness within them,' he says. 'I think that is very, very important.'

A Proper Diamond - Dan's poem

I first met Kate in Walton Jail,
Behind those bars, I was so cold and pale.
She wasn't like the rest in there,

She actually listened, she actually cared.

She saw past records, past mistakes,
Knew every man has what it takes.
She'd talk to lads who'd lost their way,
And give them hope for better days.

She left the prison, took a stand,
To help more people first-hand.
With The Salvation Army crew,
She's changing lives, she's seeing it through.

Since last June, she's backed me strong,
Pushed me forward, proved me wrong -
When I doubted, when I fell,
She made me see I could do well.

Reuniting families - tracing service

Reconciliation is at the heart of the Christian message of salvation and our priorities as an organisation: to Seek Justice & Reconciliation and to Serve Others Without Discrimination.

The Family Tracing Service continued its work to create opportunities for reconciliation within families. It enabled people to live with a measure of peace within a loss which is often ambiguous, and experience increased wellbeing whether or not a reconciliation is the outcome.

Three key achievements:

1. Success rate of **86%** - reconciliation or knowledge of person sought.
2. **526 people** experienced reconciliation within their family.
3. Hundreds of people started a search with us (alternative services are not affordable for all).

The key to our service was that it is never a call-centre experience, it was always a personal one. Our dedicated and compassionate team listened, heard, helped, served and gave hope. This gave us the opportunity to start conversations that connected service users with The Salvation Army.

Service without borders

The Family Tracing Service continued to serve people living overseas too, where there is no access to a Salvation Army tracing service. Where there was a service, we worked with our colleagues across borders.

Stories of love (cases which closed in 2024/25)

Find out more - in 2025 we will be celebrating the 140 year anniversary of the Family Tracing Service. Learn about our unique service and its history <https://www.youtube.com/watch?v=bPJXOu-EQI>

Lasting Love

We helped two elderly brothers to reunite after 20 years of no contact.

Like many siblings, the loss of a parent caused the brothers to drift apart after their parent's funeral had taken place. But later on, an illness became a resonant reminder of the separation. Time had almost run out, the brothers both experienced the joy of reconciliation in their later days.

Unconditional Love

We helped a child and parent reconnect after many years apart.

From the age of two, the child had had no contact with the parent. The child, now an adult, desired to make contact. To start with, Family Tracing forwarded letters between the child and parent, who was in prison. Eventually they met there, making an important and brand new connection after all those years.

Father's Love

We found a man's son, but sadly he'd lost his life.

Sometimes, the discovery of a person brings sad news. Our team worked with Family Tracing Salvation Army in France to locate a young person in the country, but he had died. We took great care when sharing news of the tragic death with his father, and helped him with the shock of his bereavement.

Find out more - in 2025 we will be celebrating the 140 year anniversary of the Family Tracing Service. Learn about our unique service and its history
<https://www.youtube.com/watch?v=bPJVXOu-EQI>

Inclusion for people with a disability

One in four people have a disability. The Salvation Army aims cultivate an inclusive attitude and approach for people with a disability. We seek to empower disabled people to be actively involved in all aspects of what we do.

Here we illustrate some of the ways we have done this, over the past year.

Music man project

The Music Man Project is an award winning and fully accessible music service for adults and children with learning disabilities. It provides education, enjoyment and access to performance opportunities. The groups learn songs, how to play instruments and Makaton signs.

Across the country, The Music Man Project has developed opportunities for people with disabilities to build confidence and connect through music. Although developed for people with a learning disability it is open for everyone.

We continued to share the joy of The Music Man Project with more people with a disability. For example, in Wakefield about 60 people attended a Music Man Project taster day, bringing much fun, laughter and blessing. Corps officer Captain Terry Hendy said: 'To share our faith we need to make friends and what a way to make friends.' The corps planned to start a monthly Music Man group, as well as one at Royston, a few miles away

On another note... four of our Music Man Project groups, made up of 80 members and supporters performed at the Royal Albert Hall with Music Man Project groups from across the UK.

Enabled Summer Camp

'Enabled' provides spiritual and social fellowship for people with a disability and their carers. There were three new aspects to Enabled Summer School 2024.

1. It was renamed the Enabled Summer Extravaganza, as suggested by members.

2. We welcomed the highest number of newcomers for many years, with six new members and eight new supporters attending for the first time.
3. To fit everyone in, we relocated to a larger venue in Northampton, King's Park Conference Centre.

Appropriately, the theme was 'New Beginnings'. In our fellowship groups, we considered new beginnings by exploring the Bible stories of Ruth, Noah and the prodigal son.

The options for main activities were band, choir or timbrels followed by musicals, Music Man Project or - a new option for this year - video production. For the first time we also introduced an option to the Enabled choir with some people choosing Godly Craft as an alternative to crafts.

Some members also enjoyed exploring the area, including Northampton and Rushden Lakes. The final day saw members sharing what they have been practising all week, with music performances and a presentation by the video group.

All 102 attendees had a great week of faith, fun, fellowship and friendship. At the end, some suggested this was the best summer gathering ever! We will be back next year as we celebrate 50 years since our first summer gathering back in 1975.

What did attendees say?

'We discover each other's hopes, dreams, hurts, gifts and abilities.' Karen, attended with her daughter Hannah

'Everyone knew my name. From the minute I put my lanyard on, I felt that I belonged.' Trudy, who attended in person for the first time.

'It was fabulous, I would like to go again.' Sam, who met lots of new friends.

Enabled - everywhere!

Over the year, 354 were members enrolled in our Enabled community. Outside of the Summer Extravaganza, members met up in person and online for Enabled at Christmas and our Easter Event. There was a further event in Wakefield, with others being planned in Enniskillen and Kilbirnie.

Spotlight on Strawberry Field

Strawberry Field has been in the care of The Salvation Army since the 1930s as a place that supports vulnerable young people and a site of spirituality and inspiration.

This legacy continues with The Salvation Army's redevelopment of Strawberry Field to give young people with learning disabilities in Liverpool the chance to succeed, and honour the site that inspired John Lennon.

We reflect on what has been happening at Strawberry Field during the past year. As some of this work is funded through The Salvation Army Social Work Trust, this is featured in the Annual Report for both trusts.

Steps to Work programme

The Steps to Work programme at Strawberry Field is a 12 to 18 month scheme. It offers young adults with learning disabilities - and other barriers to employment - the opportunity to gain skills and work experience, opening the door into paid work.

Step 1

Trainees were appointed a dedicated work coach who supported them for the duration. They also received emotional and pastoral care from the team.

Step 2

Trainees explored what they wanted out of life and work, and considered a whole range of industries. Our team liaised with colleges and partners organisations to set up vocational courses and work placements.

Step 3

The end goal was paid, sustainable employment. Trainees have successfully achieved this in an array of industries, from agriculture, conservation and construction to customer service, retail, hospitality and finance.

Last year, the programme saw nearly 60% of trainees moving into employment. This is 12 times the national average for people with a learning disability. It is three times the national average for people with autism.

For 2024-25:

88 trainees started the programme

77 completed the programme

Of those trainees who completed the programme:

- 44 went into work (as % of those completing the programme 57%)
- 13 went on to further study (as % of those completing the programme 17%)
- 2 were undertaking a formal volunteering opportunity (as % of those completing the programme 3%)
- 2 were continuing in meaningful job search activities (as % of those completing the programme 3%)

The Learning Hub run by Lynne Furlong in the 2024-25 financial year accommodated seven students on placement in the centre and supported 91 university students who worked 'off site'. Those students supported within the university campus are provided with projects which are active issues for Strawberry Field. In the reporting year projects have taken place to promote inclusive workplaces and breakdown barriers to recruitment for the STEPS to Work programme, a sustainability business ventures project which focused on methods to increase engagement in the new Steps for Students Programme and another project examined how effective translation can support accessibility and business sustainability (which included translating information for trainees).

'Some trainees have been told their whole life that they will never get a job or amount to anything. Then we show them, step by step, that they can work, and they will work, and they do great work.'

Adele Murphy, Strawberry Field's Employment Development Co-ordinator

Two graduate stories

Alfie McKeown

Steps Outcome: Paid Work

Alfie came to the Steps to Work programme after completing an internship. Alfie had low confidence and struggled to see the natural skills he has for communication and teamwork.

Alfie gained paid work in retail with a supermarket chain weeks after starting his first work placement in the Strawberry Field shop.

Megan Thomas

Steps Outcome: Paid Work

Megan's life-changing journey to overcome self-belief challenges has seen her self-esteem and confidence grow, which has empowered her to embrace new opportunities. Her newfound independence has inspired her to aim for semi-independent living.

Megan's determination and resilience has transformed her life and inspires others. She is now working as a Catering Assistant at a national department store.

Giving us... a step up

The Strawberry Field site is famous worldwide because it inspired the Beatles' 1967 single Strawberry Fields Forever. Its writer, John Lennon, had grown up nearby and played in the grounds of the home as a child.

On the 9th October 2024, which would have been John Lennon's 84th birthday, Strawberry Field relaunched its photomosaic mural. This is a montage of photographs and as a fundraiser, fans were invited to place their image alongside Beatles legends, famous Liverpool faces and people from all around the world.

In the summer, Strawberry Field also displayed a rare vinyl acetate of John Lennon and the Plastic Ono Band's seminal hit record, 'Give Peace a Chance' and 'Remember Love', to mark its 55th anniversary. The record - one of only 50 in the world - was added to the visitor exhibition. It was kindly donated to us by Yoko Ono and Sean Ono Lennon.

Money raised from ticket sales for both exhibits went to support the Steps to Work programme, giving it a step up. The rare vinyl went on to be sold, to raise more funds.

Awards and accolades

A winning partnership

In May 2024, we were thrilled to announce that Strawberry Field won a UniTemps LJMU (Liverpool John Moores University) External Engagement of the Year Award.

The award was accepted by Lynne Furlong, who runs our Learning Hub. Lynne did wonderful work with Liverpool John Moores University students, helping them gain experience to build their CV and stand out from the crowd when looking for employment.

The awards saw both students and employers awarded for their contribution to part-time work opportunities with Unitemps (a recruitment specialist service for students, graduates, and community members.)

Congratulations Eilis

Alongside our win above, Eilis who previously interned at Strawberry Field won Intern of the Year. There was a record number of nominations for Intern of the Year and the competition was stiff, so this award was a true testament to Eilis and her work.

An appetite for success

Strawberry Field won Café/Bistro of the Year at the Liverpool City Region Tourism Awards 2024. Also, for the second year running, we picked up the award for Small Visitor Attraction of the Year.

Mission director Major Kathleen Versfeld said: 'Thank you so much to everyone who made these wonderful achievements possible, including our staff team, volunteers, supporters and visitors.'

Thoughtful friend to older people

Grey hair is a crown of splendour; it is attained in the way of righteousness.
(Proverbs 16:31 NIV).

Almost every country in the world is experiencing growth in the number and proportion of older people in their population. In the UK, the ONS estimates that, by 2045, 4.3% of the population will be over 85 years old.

These longer years are not necessarily lived in good health, and health challenges are increasingly common in later life. It is estimated that the number of over-65s needing help with one or more daily living tasks is projected to rise by 48% over the next 20 years.

The Salvation Army provided services where older adults received the support needed to thrive and age positively and experience a real sense of 'life in all its fullness, with Jesus'.

As well as our strong programme of corps-based support for older people, we provided round the clock care for all the older people in our care homes. We continued to advocate for the older people on the issues that matter to them, such as loneliness and isolation.

Residential care homes

We had 11 care homes that can support up to 417 at any one time. In the last year, we supported 477 older people and their loved ones.

Here are some stories from our residential care home service:

Hope at Holt House

An older woman, Jean (we have changed her name), had a severe stroke in September 2024 and came to Holt House to receive palliative care. It was after a hospital assessment said there was no further rehabilitation potential.

Our care home staff cared for Jean over the first few weeks. They helped build up her strength and got her weight back within range, supporting her with all tasks.

Staff then started to give her small things to do for herself such as wash her face or dry it. They gave her balls to hold in her affected hand and cycle pedals for her legs to exercise.

The staff were determined, along with her family, to get Jean to the best she could possibly be. Gradually her strength built up and she began to feed herself finger foods, then staff introduced adapted cutlery. She went back to eating a normal diet with no assistance at all just a lipped plate.

Through her determination and staff's dedication Jean has the quality of life she had before the stroke. Staff, family and Jean worked tirelessly together, demonstrating all our values and her family are eternally grateful.

Joy at Youell Court

Shirley (we have changed her name) had dementia and was cared for in Alfred house at Youell Court, where residents receive a little extra help. As her dementia progressed, Shirley started

missing breakfast and sleeping in past lunch. She became confused and distrustful, and didn't want to join in activities either.

We suggested moving Shirley to the middle floor of Olive House, where staff deliver individual care in a relaxed space for residents who are living with dementia.

We took Shirley to Olive House and she shared some meals with other residents and met the staff. She said that she would like to move there. We took photographs of her old room and set up the new one in exactly the same way, so everything was familiar.

In Olive House, Shirley got up early and took all her meals with the other residents. Shirley attended her first ever singing by heart session three days after moving to Olive house.

Emma Bailie, Home Manager, said: 'Shirley put her arms out to hug me, she was smiling and seemed so happy. She is spending most of her time in communal areas, she is taking part in activities, events and has a spring in her step'.

Turning loneliness into togetherness

Our *No One Alone* project encouraged corps and centres across the territory to engage in opportunities for greater local social cohesion. It was led by Andrew Wileman, assistant director of Older People's Services.

In the UK, over nine million adults are frequently lonely. Loneliness is feeling disconnected even when you are around others. Social isolation is when someone is physically separated from other people. Anyone can be affected, but some groups are more at risk, including older people.

'Loneliness doesn't treat people equally,' remarked Andrew. 'And it affects far more than older people, for example, people who are financially disadvantaged, or those who live in poor housing with poor access to public transport. These can create a sense of isolation and loneliness that's really difficult to tackle.'

No One Alone resources link to community engagement opportunities such as coffee mornings, volunteering and exercise opportunities and befriending events, as well as signposting to other Army services and age-specific resources.

Andrew also had a seat on the All-Party Parliamentary Group for Tackling Loneliness and Connected Communities.

Read more - we elaborate on the local aspects of our work in our sister **Report & Accounts for The Salvation Army Trust**.

Understanding and supporting addiction

New positional statement

The Salvation Army's Moral and Social Issues Council (MASIC) published a positional statement on drug use and dependency. It set out information and guidance to Army members.

We defined addiction as ‘any harmful behaviour that a person finds temporary pleasure or relief in, and therefore craves, but cannot give up.’ It could involve cigarettes, alcohol, coffee, illegal drugs, video gaming, gambling or sex.

We recognised that personal circumstances and background influenced drug-using behaviour and the likelihood of dependency. We believe that The Salvation Army should offer compassion rather than condemnation to those affected by drug use. We offered emotional, therapeutic and practical interventions to people negatively impacted by the use of drugs.

The positional statement showed our commitment to serving others without discrimination. MASIC’s aim was to help Salvationists in this territory engage in moral and social issues.

Calls for specialist support

Source: <https://www.salvationarmy.org.uk/news/scottish-drug-deaths-reinforce-calls-specialist-support>

The Salvation Army called for an increase in specialist support to tackle drug and alcohol use in Scotland. Statistics showed that more than 1000 people were suspected to have died from drug use in 2024.

These new figures showed a welcome reduction in the number of deaths linked to drugs, but that was from a high starting point. The challenge was to maintain progress. We knew only a fraction of people affected by substance use in Scotland are offered the help they need, both short-term help to survive and longer-term help to thrive.

In particular, The Salvation Army called for:

- The Scottish Government, local authorities and Health and Social Care Partnerships (HSCPs) to work together to ensure there is drug, alcohol and mental health support available at evenings and weekends in all local authority areas. Many are currently closed at weekends.
- No individual, especially if they are experiencing homelessness, to be denied mental health support on the basis that they are using drugs or consuming alcohol.

As a provider of addiction services, the church and charity has helped hundreds of people overcome the harm caused by drugs and rebuild their lives. The Salvation Army Centre for Addiction Services and Research (SACASR) was established in 2017 in a partnership with University of Stirling to develop new ways to help address substance use in communities across Scotland.

Read more about the crucial interventions we want to see, in The Salvation Army’s report Breaking the Cycle <https://www.salvationarmy.org.uk/homelessness-policy/breaking-cycle>

Overdose antidote welcomed

Source: <https://www.salvationarmy.org.uk/news/government-plan-roll-out-overdose-antidote-welcomed>

Over the years, we have used Naloxone, a crucial opioid overdose antidote, to save lives at our homelessness support projects. Naloxone is safe, simple and effective but there had been a legal restriction on its availability.

The Salvation Army welcomed the Government’s announcement that will enable more professionals to give take-home supplies of Naloxone. We know that witnessing someone moments from possible death can be shocking and devastating so it’s also essential the Government raises public awareness about Naloxone to give people the confidence to use it.

Major Dr Will Pearson, The Salvation Army's Assistant Director of Addictions, said: 'We are delighted that the Government has listened to the concerns of ourselves and others about the need to expand Naloxone's availability'.

We have yet to see the detail of how the expansion of Naloxone will be funded. It's essential the Naloxone roll out is not taken from money set aside for addiction prevention and support services. Without also addressing the root causes of addiction the battle against drug-related deaths cannot be won.

Supporting addiction

We had three addiction services within Homelessness Services, as well as outreach services, corps and community services that provide support. We followed a harm reduction approach. As its name suggests, a harm reduction approach aimed to minimise the negative impacts of a behaviour. We do not require someone to stop their behaviour as a condition of support.

Our programmes considers abstinence to be the ultimate goal, but harm reduction is an essential and pragmatic starting point.

An example of our approach - Gloucester House, Swindon

At Gloucester House, our rehabilitation centre near Swindon, we welcomed people who were at breaking point with their addictions to alcohol and other substances.

Over the course of 12 to 24 weeks, 12 men at a time took part in a 12-step recovery programme to help them break free from their substance addictions.

'Addiction impacts their physical health, mental health and emotional health. We've had people that have struggled to come in and walk, and one person came from a hospital bed and had not been able to get themselves around,' said Alan Baldwin, the centre's chaplain.

We had counsellors and support workers on site as well as complementary therapists and wellbeing support. 'As they go on their journey with the 12 steps and focus on their idea of God, you can see the change, you see their soul begin to recover', said Alan.

Staff members spoke of the many transformations that they have seen in clients at Gloucester House. Such changes were possible through the programmes that were offered - including education and training courses, creative workshops, external activities, exercise sessions, group therapy and help with life skills as well as spiritual support.

Alan added: 'From a psychological view, anxiety and fear are two of the big things I notice when people arrive people say: 'You've taken away my crutch, I haven't got the alcohol and the drugs to support me any longer. What do I do?'

'But as they're shown love, kindness and support, and they get involved with GPs and others, you see the recovery beginning to take place,' he concluded.

LOOKING FORWARD WITH AMBITION AND COMMITMENT

As a church and a Movement, we live in the communities we serve. We understand the problems and the symptoms that affect everyday life. We understand the wider issues that impact our

society, such as homelessness, addictions, slavery, and the importance of employment. We are committed to putting faith into action and doing something.

That is why we are such an agile, responsive, and constantly evolving and adapting organisation. This report has illustrated how we responded afresh in 2024/2025.

Looking ahead, we will continue to adapt and innovate to meet current and new needs. A critical feature as we move forward is to do whatever we can to enable our front line, or local mission delivery as we call it, to flourish. With effective resourcing, support and oversight, our continuing intention is to enable this 'flourishing' of the mission of The Salvation Army locally.

We will continue to provide essential funding for our corps and community centres to enable them to innovate, develop and continue to meet needs that are not being met.

We will continue to support The Salvation Army Social Work Trust to enable it to provide the best possible support for people in our residential centres and those who engage with or are referred to us for support and, in the case of modern slavery and human trafficking, protection and a fresh, safe new start.

We will continue to ensure local mission is supported from our territorial and divisional headquarters in the ways it needs to ensure effective, efficient, and compliant ministry, including financial controls, safeguarding, safe mission (health and safety), staff development and training and effective procurement.

We will continue to build on the work of the Structural Co-ordination and Design Project by maintaining a culture of continual improvement across the territory with a real commitment to address any organisational issues that are obstacles to enabling local mission to flourish.

We will continue to invest in funds that allow innovation and will continue to invest in our fundraising to ensure we have a stable and sustainable future to serve our communities.

With changes in society, we will look at how we can ensure that we are encouraging different forms of church leadership and membership so we can move with the times but maintain our distinctive ethos.

Above all, we commit to ensuring a meaningful presence across the UK, to making a difference in people's lives in practical and spiritual ways. Our commitment to 2025 and onwards is to continue to strive to deliver our vision: 'Fullness of life for all with Jesus'. That is our driving force and our goal, and that vision sets the strategic direction for each of our corps and community centres and directs the support that our territorial and divisional headquarters will provide.

Subsequent to the year end, the Trustees have decided to reimagine the support we provide to older people. This will entail withdrawing from residential care homes and instead developing a range of support services within local communities, particularly in those areas where a Salvation Army church is present. Services, as appropriate for individual communities, such as Parish Nursing, Dementia Support groups and specialist programmes for additionally disadvantaged older people such as those who are socially isolated due to location or access needs or those who are digitally excluded. Where possible the current residential homes will be sold to other providers as a "going concern" so that the care of individuals is uninterrupted.

GOING CONCERN

The Trust has felt the financial impact of global economic factors, particularly the high inflation rates on our cost base plus the related cost of living crisis. At the time of writing, inflation in the

UK is 3.6%. The Bank of England projects that inflation will fall to around 2% by mid-2026, but this remains a watching brief with the current instability arising through the trade tariffs being imposed by the USA and the global political unrest. The organisation anticipates that the trading environment will continually be challenging. The Trust has a significant contract with the Home Office, £79.2m (2024: £85.2m) which supports the Anti-Human Trafficking Programme. This equates to 97.4% (2024: 98.1%) of the Other Social Operations income stream, and should this contract be terminated; it would also mean that £77.0m expenditure (2024: £82.2m) would no longer be incurred. The Trust could continue to operate without a significant impact upon other service deliverables.

Financial projections and other supporting financial models that detail potential financial impacts upon the Social Work Trust, are reviewed on a regular basis by the operational boards as well as further scenario planning to assess the potential short, medium, and long-term financial implications of other risks and opportunities. Albeit this is currently undertaken on a lower-level scale.

Looking ahead, we plan to better utilise the financial reserves to support the organisation and where necessary invest in strategic priorities. This financial year, 2024-25 saw us continuing to spend on our strategic aims and utilising reserves to do this where possible. The closing unrestricted reserves were £169m (2024: £173m) and the cash and bank balances were £54.3m (2024: £23.9m). The significant increase in cash is due to significant funds being generated from investment property disposals in the year and the £35m deposit held by The Salvation Army Trust on behalf of the Social Work Trust in the prior year which was transferred over this year. Based on cash flow forecasts prepared covering the period to 31 March 2027, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of these financial statements and are not aware of any material uncertainties that may adversely affect the organisation. Accordingly, the financial statements will continue to be prepared on the going-concern basis.

RAISING FUNDS

The income streams for The Salvation Army Social Work Trust consist mainly of statutory funding and, to a lesser degree, income from the sale of assets and income from legacies and donations which have been specifically made to and received directly by this Trust.

Fundraising for the overall work of The Salvation Army, including the work carried out by The Salvation Army Social Work Trust, is largely managed through and executed under The Salvation Army Trust, a separate charity from The Salvation Army Social Work Trust.

One of the distinctive features in the delivery of services covered by The Social Work Trust is that we always seek to do the best we can to help people experience holistic change. Often this means providing additional support services, training and skills development. This comes at a cost, and therefore to meet this additional cost The Salvation Army Trust makes a grant to The Salvation Army Social Work Trust based on funding needs.

This grant is agreed in advance as part of the budgeting process, and the actual value of the grant made during the year appears in The Social Work Trust as 'Grants Receivable: The Salvation Army Trust'.

No active fundraising is carried out by The Salvation Army Social Work Trust.

Our fundraising and appeals programme feature the work of both Trusts.

The Salvation Army Trust Report and Accounts form a sister publication to these reports and accounts.

SUBSIDIARIES

The Salvation Army Social Work Trust works in harmony with its subsidiary, Salvation Army Homes (SAH). SAH is a charitable provider of supported housing and support services across England, registered under the Co-operative and Community Benefit Societies Act 2014 (registration no. 15210R) and is also registered with the Regulator of Social Housing (registration no. LH 2429).

The principal activities of SAH are the management and development of social housing, primarily for single people. This includes Lifehouses for homeless people, foyers offering support and training, housing with appropriate support services for vulnerable people and special housing for the elderly as well as self-contained rented homes at rents affordable to those on low incomes.

SAH operates nationally in over 70 local authorities across England and has five principal areas of operation:

- 1. Agency-Managed Centres (1,497 bed spaces):**
SAH works in partnership with a number of organisations nationally, including The Salvation Army, to provide a wide range of Agency-Managed Supported Housing services. These include residential centres (called Lifehouses) for homeless single people and homeless families, centres for those recovering from addictions, accommodation for ex-offenders and individuals and families fleeing domestic violence. Within these partnerships, we act as the landlord owning and maintaining the buildings, whilst our managing agents undertake the day-to-day management of the service.
- 2. General Needs (1,275 homes):**
SAH owns a range of accommodation that provides secure affordable housing for families and individuals. Residents access this accommodation through local authority waiting lists as we have nomination arrangements in place with our local authority partners.
- 3. Accommodation for the over-55s (291 bed spaces):**
Some of SAH's accommodation is specifically designed for those over the age of 55, including a scheme manager providing on-site support. In accommodation where there is no staff on site, there will be an alarm call system and other types of floating or community support available. Styles of accommodation vary from studio flats to bungalows. Many of SAH's schemes have communal facilities where residents can engage in a range of activities.
- 4. Directly Managed Supported Housing (507 bed spaces):**
SAH directly manages a number of schemes throughout England, both managing the building and delivering the day-to-day management and support. As with the Agency-Managed schemes, SAH provides a range of support services to the residents. All schemes, including our foyers which are tailored for those between the age of 18 and 25, have 24-hour staff support where residents engage in a range of activities to promote independence with the aim of resettlement into independent living.
- 5. Registered Care Homes (52 bed spaces):**
SAH owns a number of registered care homes, working with a partnering agency to provide support and care for clients in a residential environment.

SAH also manages 707 residential properties, providing a housing management service throughout the country.

MODERN SLAVERY AND ANTI-HUMAN TRAFFICKING STATEMENT

At The Salvation Army in the United Kingdom and Ireland Territory we hold a zero-tolerance stance on acts of modern slavery and human trafficking and on any breach of our Ethical Policy and will not condone any such action by our contractors, suppliers, or consultants. We take this issue very seriously and are committed to preventing acts of modern slavery and human trafficking from occurring within our supply chain. Our Procurement Ethical Policy is integral to all supplier contracts and sets out the overall standards surrounding human rights, child labour, discrimination, corruption, bribery or other financial impropriety, legal compliance, and ethical conduct with which our suppliers must comply.

A Supplier Ethical Declaration is referenced in the standard purchase terms and conditions of The Salvation Army and compliance is a contractual requirement for all suppliers operating under these standard terms and conditions. In addition, all suppliers and contractors submitting tender responses must confirm their agreement and acceptance of the terms and conditions and sign the ethical declaration and apply these standards to their own supply chains.

Our Procurement Unit continually reviews its supply base, examining suppliers in those areas that represent the highest risk of modern slavery, particularly in spend areas relating to temporary labour, cleaning, catering, linen, branded goods and building services. Where trade and industry best practice standards are used as the benchmark and The Salvation Army has adopted the use of Constructionline for tendering and selecting building suppliers.

Due to the importance of training and education in the fight against modern slavery, the Procurement Unit has partnered with Stronger Together to deliver training to members of its team on identifying potential victims of modern slavery. All members of the Procurement team complete the Chartered Institute of Purchasing and Supply ethical procurement assessment annually.

The Procurement team holds regular Helping The Salvation Army Buy Better training seminars for stakeholders where ethical supply chain issues are covered. The Procurement team has also hosted a supplier conference with a specific focus on providing education on combating supply chain labour abuses. The commitment to ensuring ethical supply chain standards is also embedded in the recently adopted Salvation Army Fiscal Stewardship Principles and the Procurement Unit will be asked to report against these standards regularly.

STREAMLINED ENERGY AND CARBON REPORTING (SECR) STATEMENT

At the Salvation Army Social Work Trust (SWT) we recognise that climate change represents a significant global threat, and we recognise that we need to reduce our operational energy use and carbon emissions, and we have set ourselves some challenging targets to achieve this. We are pleased to report our progress in this area over the last year.

Targets

Our carbon reduction targets for the operational emissions included in this report are:

- 50% reduction by 2030 (from a 2019/20 baseline)
- Net zero by 2040

What do we mean by net zero? We will reduce our emissions by at least 90%, in line with the criteria of the Science Based Targets Initiative's Net Zero Standard.

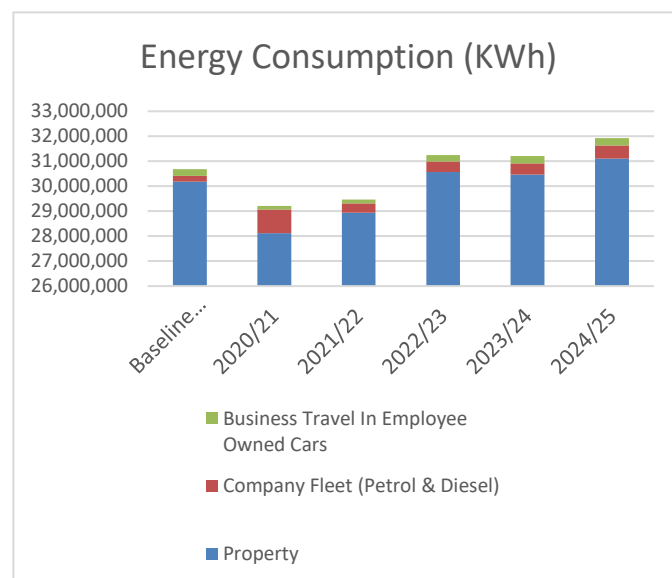
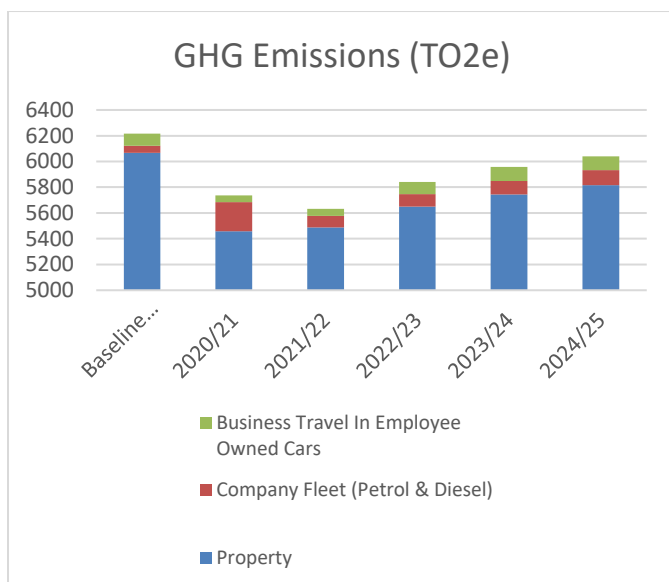
We have also calculated our wider indirect carbon footprint and set a target to reduce those emissions to net zero by 2040. Further details are included in our Net Zero Strategy 2040.

Reporting methodology

This report has been prepared in accordance with the Streamlined Energy and Carbon Reporting Guidelines (SECR) 2019, the Greenhouse Gas Reporting Protocol Corporate Standard and ISO 14064-1. To convert activity data into carbon we have used the 2025 UK Government's Conversion Factors for Company Reporting.

Greenhouse gas emissions and energy use data

Tonnes CO ₂ e							KWH						
	Baseline						Baseline						
Scope 1 (Gas, Petrol,)	(2019/20)	2020/21	2021/22	2022/23	2023/24	2024/25	(2019/20)	2020/21	2021/22	2022/23	2023/24	2024/25	
Property	4,224	4,096	4,122	4,286	4,205	4,370	22,973,309	22,274,210	22,507,000	23,525,009	23,030,788	23,630,735	
Company Fleet (Petrol & Diesel)	54	225	90	99	106	118	227,052	940,111	376,925	421,174	448,339	525,780	
Total Scope 1	4,277	4,320	4,212	4,385	4,311	4,488	23,200,361	23,214,321	22,883,925	23,946,183	23,479,127	24,156,515	
Scope 2 (electricity, grid average)													
Property	1,844	1,364	1,365	1,363	1,539	1,445	7,214,939	5,848,518	6,429,501	7,046,786	7,430,523	7,479,163	
Total Scope 2	1,844	1,364	1,365	1,363	1,539	1,445	7,214,939	5,848,518	6,429,501	7,046,786	7,430,523	7,479,163	
Scope 3													
Business Travel In Employee													
Owned Cars	96	52	55	93	110	108	262,475	143,501	148,290	254,446	298,705	286,596	
Total Scope 3	96	52	55	93	110	108	262,475	143,501	148,290	254,446	298,705	286,596	
Total (Grid Average)	6,217	5,735	5,632	5,841	5,959	6,041							
Intensity Ratio													
(Tonnes CO ₂ e per employee)	3	3	3	3	3	3							
Total energy Consumption							30,677,775	29,206,340	29,461,716	31,247,415	31,208,355	31,922,274	



Our total energy consumption has increased by 4.1% compared to our 2019/20 baseline. Total carbon emissions have reduced by 2.8% and our intensity of Tonnes CO₂e per employee by 5.1%.

We have made a small amount of progress reducing carbon emissions from our properties. However, emissions from fleet have increased significantly by 119%.

Progress by area

Property:

- Compared to 2019/20 baseline: 3.1% increase in energy consumption and 4.2% reduction in carbon emissions.
- Compared to prior year: 2.1% increase in energy consumption and 1.1% increase in carbon emissions.

Actions:

- **Energy efficiency:** we plan to undertake a full energy efficiency upgrade of one of five of our life houses as part of our Carbon Management Plan 2024-27
- **Renewables:** 4 of our properties currently have roof mounted Solar PV systems providing clean renewable energy and we are currently installing an additional 4 this year.
- **Reducing fossil fuel use:** Currently most of our properties have fossil fuel-based heating systems with a small number of electric heat pumps. However beginning this year, we are starting a programme of energy retrofits to five of our properties over the next three years which will include switching heating systems over to low carbon alternatives.

Fleet:

- Compared to 2019/20 baseline: 131% increase in energy consumption and 119% decrease in carbon emissions.
- Compared to prior year: 34.1% increase in energy consumption.

Actions:

- **Reducing fossil fuel use:** We continue to encourage the take-up of electric company cars and we recently added EV and PHEV vehicles to our employee company car list. Currently we have 13 EV and PHEV on order and this trend will continue to increase.

- **Reducing travel:** We are actively encouraging more sustainable travel and recently updated our Travel policy to have a more sustainable travel focus.

Colleague engagement:

Engaging our staff and volunteers on this agenda is very important to us. We are currently developing a Care for Creation training module that will be rolled out early next year for both current and new staff and Officers.

We provide updates throughout the year through our intranet, weekly internal newsletters and articles in our Salvationist Magazine.

Wider strategy

<https://www.salvationarmy.org.uk/sites/default/files/resources/2025-08/TSA%20Carbon%20Management%20Plan-2024-2027.pdf>

This report covers a small part of our sustainability and carbon reduction programmes Read more about the work we are doing in our Net Zero Strategy 2040 and Carbon Management Plan 2024-27.

REVIEWING FINANCES

Income

	2025 £m	2024 £m
Charitable activities:		
Centres' revenue income	97.0	90.8
Other social operations	81.2	86.9
Housing association turnover	28.5	27.5
	<u>206.7</u>	<u>205.2</u>
Legacies and donations	3.3	2.8
Grants from The Salvation Army Trust	26.2	29.7
Investment and rental income	4.6	3.4
Disposal of fixed Assets	(1.1)	(1.1)
Total income	<u>239.7</u>	<u>240.0</u>

Centres' revenue income

The main elements are:

- charges for residents in our care homes for older people (£17.4 million)
- charges for residents in our Lifehouses (£41.0 million)
- income received under contracts with local authorities, principally Supporting People contracts (£27.9 million)

Other social operations

The main elements are:

- Employment Plus (£1.8 million)
- Anti-Trafficking (£79.2 million)

Our Employment Plus team provides services to help unemployed people into work through several Work Programme contracts where The Salvation Army is a subcontractor. Income fluctuates as it is dependent on the number of referrals and on clients securing and retaining employment.

We provided support to the victims of modern slavery under a contract with the Ministry of Justice.

Housing Association turnover

This represents the turnover of The Salvation Army Homes (SAH), a subsidiary of the Social Work Trust, adjusted to reflect the accounting policies and reporting requirements of the Social Work Trust.

Legacies and donations

Legacies of £1.1m and donations of £2.2m were received in the current year.

Grants from The Salvation Army Trust

The Salvation Army Trust provides financial support to the Social Work Trust. This includes the Big Connection Appeal which is an annual appeal undertaken by corps (church) members specifically for social work programmes.

Expenditure

	2025 £m	2024 £m
Charitable activities:		
Centres' operations	118.4	114.4
Other social operations	84.6	90.8
Housing association cost	31.9	26.3
	<u>234.9</u>	<u>231.5</u>
 Cost of raising funds	 0.1	 0.1
Total expenditure	<u>235.0</u>	<u>231.6</u>

Centres' operations

This represents the operating costs of care homes for older people, Lifehouses, detox centres, day care centres and other non-residential projects.

Other social operations

The increased costs reflect the increase in the number of victims of trafficking being helped by our service as well as Employment Plus and the Family Tracing Service.

Net gains/(losses) on investments

There has been an unrealised loss on investments of £1.0 million (2024: gain of £20.2 million). This comprises a £0.2m gain in value of the Salvation Army Homes' investment property at Waterloo, London with aggregate unrealised losses on the Trust's investment portfolios of £1.2m.

Funds

The Social Work Trust (excluding SAH results), excluding its investment losses of £1.2 million (2024: gains of £17.2 million), has generated a surplus of £3.7 million compared to a surplus of £9.2 million in the previous year.

Total funds at the year-end were as follows:

	2025 £m	2024 £m
Endowment funds	<u>18.7</u>	<u>19.0</u>
Restricted funds:		
Social Work Fund	86.9	80.3
Social Work projects	39.7	40.2
Saha operations	132.4	130.8
Total restricted funds	<u>259.0</u>	<u>251.3</u>
Unrestricted funds:		
Designated funds	48.4	51.8
Unrealised investment gains	98.4	100.2
General reserve	22.5	20.7
Total unrestricted funds	<u>169.3</u>	<u>172.7</u>
Total funds	<u>447.0</u>	<u>443.0</u>

Endowment funds

All endowment funds are represented by investment in the Common Investment Funds and the movement is due to the increase in market value of the investments. The capital value of the funds is retained but the income is applied to fund our work.

Restricted funds

Social Work Fund represents property assets including Lifehouses, care homes and other properties used for the operations of the parent charity. These funds are not therefore available to spend. Funds restricted for social work projects represent legacies and donations given for specific purposes.

All SAH funds are treated as restricted in the group accounts.

Unrestricted funds

Designated reserves

The levels of designated funds are reviewed annually. These are funds set aside by the directors for new projects and to meet known future commitments such as maintenance of our properties. These funds are kept under review by SATCO to ensure their purpose remains in the medium term. There is a major components reserve utilised for larger building projects addressing the necessary investment in properties within the Social Work Trust.

Unrealised gains

These are gains and losses as a result of market value fluctuations which have not yet been realised.

General reserve

This represents funds which are freely available for the general purposes of the charity.

RESERVES POLICY

Our reserves policy focuses on the level of general reserves.

We work with vulnerable and disadvantaged members of society, principally through our residential centres. We need reserves so that we can maintain continuity of our services in the event of a decrease in income or unexpected expenditure.

The directors have reviewed the main income streams, the risks associated with them, the main categories of expenditure and the extent to which these can be curtailed if required. A considerable proportion of our income is received under contract from local authorities. As such this is subject to regular competitive tendering and to changes in central and local government policies. The Trust also receives a grant from its sister trust - The Salvation Army Trust - generated from its fundraising to support the work of the Trust. There is a much smaller portion of income that is voluntary income which can be uncertain and fluctuate from year to year.

The total value of funds held as at 31 March 2025 was £447m (2024: £443m). There are restricted reserves of £259m (2024: £251m), unrestricted reserves of £169m (2024: £173m), and endowment reserves of £19m (2024: £19m).

The unrestricted funds include general reserves, designated funds, and the unrealised investment gains reserve. General reserves are utilised to fund the day-to-day needs of The Salvation Army. These were £22.4m as at 31 March 2025 (2024: £20.7m). The designated funds are unrestricted but

set aside by the directors for specific purposes, £48.4m (2024: £51.8m). The unrealised investment gains reserve totalled £98.4m (2024: £100.2m).

General reserves at the year-end were £22.4m which is within the target range of £9.6m to £22.4m. The target range is modelled looking at income and expenditure with an associated risk factor (correlated with a higher likelihood of an adverse outcome) considered annually and duly reflected in the annual Reserve Policy. Like other charitable organisations, we are facing increased costs from high inflation as well as a challenging fundraising environment as the cost-of-living crisis continues to bite. A small deficit budget has been approved for 2025/26 leaving the general reserve within the upper quartile of the range which is considered prudent in the current economic climate. The Trustee reviews the reserves policy on an annual basis taking account the changing internal and external risk factors.

INVESTING FOR THE FUTURE

The charity holds its investments in The Salvation Army Common Investment Funds. These funds were set up under Schedule 2 of The Salvation Army Act 1980 to act as common investment schemes for certain Salvation Army Trusts.

The Salvation Army Common Investment Fund (No 1) consists of permanent endowments which are restricted by the wishes of the donor. In most cases the income is to be used for restricted purposes. The Salvation Army Common Investment Fund (No 2) is operated for those Salvation Army Trusts without permanent endowments. Both funds are managed by The Salvation Army Trustee Company. Cazenove Capital Management manages CIF1 and 50 per cent of CIF2, whilst Sarasin & Partners LLP manage 50 per cent of CIF2.

The funds are subject to The Salvation Army Act 1980 and the following guidelines:

- the principal aim is to invest in a manner consistent with the promotion of the objects of The Salvation Army
- investments should be made on longer-term considerations rather than in the pursuit of short-term gains
- investments may be held in stocks, shares, debentures, and other securities quoted on a recognised stock exchange, in government, municipal and public utility stocks and in bank deposit accounts
- investments may be made in collective investment schemes, including those holding real estate assets
- no direct investment may be made in unquoted securities in the UK or overseas
- there will be no investment in companies which derive a material amount of their revenues (% indicated) from the following activities:
 - the production of alcohol (5%)
 - the sale, together with any production, of alcohol (10%)
 - the production of tobacco (5%)
 - the sale, together with any production, of tobacco (10%)
 - the manufacture of whole weapons, weapon platforms and weapon systems (no minimum limit)
 - the manufacture or sale of strategic parts for weapons systems (10%)
 - the business of gambling or providing access to such businesses (5%)
 - the production of adult entertainment services or providing access to such services (1%)
 - the publication or wholesale of pornographic magazines or newspapers (1%)
- Investment managers are expected to exclude companies whose activities might reasonably be expected to increase poverty or act against the relief of poverty. The investment

managers are required to monitor companies in the portfolios to ensure best practice in corporate governance, employment conditions and environmental sustainability

The Funds' benchmark and ranges of distribution are as follows:

Asset Class	Benchmark	Range
	%	%
Equities:		
Global	100	+/-10
Bonds	0	+10
Cash	0	+10
	100	

The aims and objectives of the Common Investment Funds are as follows:

CIF1

Fund strategy is:

- to preserve the value of the fund, adjusted for real inflation
- to maintain a steady annual income stream

The performance objective of the Fund is to achieve an annual total return which exceeds the composite benchmark below by at least 1.25 per cent per annum, gross of fees, measured over rolling three-year periods.

Asset Class	Performance Benchmark
UK Equities	FTSE All-Share
Europe (ex UK) Equities	FTSE All World Developed Europe (ex UK)
Emerging Markets Equities	FTSE All World Emerging Markets
Asia Pacific Equities	FTSE All World Developed Asia Pacific
United States Equities	S&P 500
Property	AREF/IPD UK Quarterly All Balanced Property Fund

CIF2

The Fund strategy is to aim for capital growth rather than income. The performance objective of the Fund, excluding cash and gilts under lien, is to achieve an annual total return which exceeds the composite benchmark below by at least 1.25 per cent per annum, gross of fees, measured over rolling three-year.

Asset Class	Performance Benchmark
UK Equities	FTSE All-Share
Europe (ex UK) Equities	FTSE All World Developed Europe (ex UK)
Emerging Markets Equities	FTSE All World Emerging Markets
Asia Pacific Equities	FTSE All World Developed Asia Pacific
United States Equities	S&P 500

Property	IPD UK Property
Cash and gilts under lien	FTSE Gilts under 5 years

Performance for the year compared to the benchmark was as follows:

	CIF1	CIF1	CIF1	CIF2	CIF2	CIF2
	2025	2024	2023	2025	2024	2023
	%	%	%	%	%	%
Annual total return (gross of fees)	(0.7)	16.9	4.0	(0.9)	14.4	1.1
Benchmark return	4.9	20.6	(2.6)	0.8	20.6	(2.6)

The performance is being monitored on a regular basis through discussions with the respective investment fund managers.

In absolute terms the performance of the Common Investment Funds for the year was as follows:

	CIF1	CIF1	CIF1	CIF2	CIF2	CIF2
	2025	2024	2023	2025	2024	2023
	%	%	%	%	%	%
(Decrease)/Increase in capital value of fund	(0.5)	18.64	2.9	(0.7)	12.8	(0.1)
Average net income return	0.7	1.37	0.5	0.8	0.8	0.7

STRUCTURE, GOVERNANCE AND MANAGEMENT

The United Kingdom and Ireland Territory is under the command of a Territorial Commander, appointed by the General and responsible to him/her for the day-to-day administration of Salvation Army work throughout the British Isles, including the Channel Islands, the Isle of Man, and the Republic of Ireland.

The Salvation Army's property in the United Kingdom Territory is held by The Salvation Army Trustee Company (SATCo), a company limited by guarantee, registered in England (No 00259322), with its registered office at 1 Champion Park, London, SE5 8FJ.

The two main trusts under which The Salvation Army in the United Kingdom operates are:

1. The Salvation Army Social Work Trust, whose accounts are contained in this Report.
2. The Salvation Army Trust, Charity Registration No 214779 in England and SCO09359 in Scotland.

The governing document of The Salvation Army Trust is The Salvation Army Act 1980, as amended. Under Section 12(1) (a) The Salvation Army Trustee Company is appointed as the sole ordinary trustee of the trusts listed in Schedule 5 to that Act.

The governing document of The Salvation Army Social Work Trust is the Deed Poll dated 30 January 1891, and a supplementary deed dated 26 March 1969.

The Salvation Army Social Work Trust acts as managing agent for a number of projects on behalf of several registered housing associations, including Salvation Army Homes.

Salvation Army Homes

The Salvation Army Social Work Trust has the power to exercise control over Salvation Army Homes (SAH). SAH is registered with the Co-operative and Community Benefit Societies Act 2014 and is a registered social landlord regulated by The Regulator of Social Housing.

RISK MANAGEMENT

The Salvation Army identifies, assesses, and manages risks that could impact its activities so it can better achieve its objectives, comply with relevant laws and regulations, and safeguard its funds and assets.

The Board (SATCo) has ultimate responsibility for overseeing risk management, in accordance with Charity Commission guidance (CC26). The Risk Management Committee (RMC) directs an enterprise-wide risk management programme to inform decision making and ensure effective procedures to identify and evaluate risks and implement effective controls.

The RMC considers the most recent developments in the most significant risks, while also prioritising broader developments to The Salvation Army's approach to risk management. Current plans include promoting a deepening appreciation of the complexities of risk management within a wide-ranging structure, the importance of metrics to inform risk management and the implications of macro and global risks that may have consequences for the organisation.

Risk management operates through a top-down review by the RMC and bottom-up review by individual functions, enabling the identification and prioritisation of key and emerging risks. This enables site and service-specific concerns to be identified and managed, whilst retaining high-level oversight and assurance of the most significant risks facing the organisation. The RMC reports to the Board at least once yearly on key risks. Through this risk management process the directors have considered the major risks facing the organisation and satisfied themselves that controls are established to manage them.

Unfortunately, the nature of our work means that despite the steps we take, serious incidents can still arise, and we continue to place the utmost importance on reporting these to our regulators.

Principal risks

The Salvation Army's work is diverse, geographically spread across a broad range of settings and has a variety of beneficiaries. The risk landscape is therefore varied, and controls are deployed appropriately at various levels of the organisation. The following outline indicates the most significant risks in the reporting period, and some of the strategic level mitigations we have in place.

Principal Risks	Mitigation
Business Continuity - There is a risk of the occurrence of a significant incident where, during and after the incident, The Trust will not be able to continue to be viable and meet stakeholder expectations.	Business continuity policies and procedures, including the application of ISO27001 for some parts of the organisation, prepare us for management of interruptions.

Cyber - The risk is that we fail to protect our information systems and the information they hold.	We deploy multiple measures to protect our systems and the information they hold. We work within an information security international standard (ISO27001) and build on lessons from our internal and external audits in this area
Data Protection - The risk that we fail to protect sensitive and personal data.	As well as our data protection/GDPR policies and training we take steps to ensure that personal data is treated properly through appropriate security measures, staff training, the use of data protection impact assessments and contractual requirements with organisations we work with who process our personal data.
Financial Sustainability - The risk that there is insufficient revenue income from donations, legacies, grants, and reserves to support our operating model resulting in the failure of the Trust to thrive in a rapidly changing environment.	We continue to monitor the funding situation and adjust our financial planning and commitments accordingly to ensure we are financially resilient.
Safeguarding - The risk is that we fail to provide a safe environment, free from abuse, for everyone, including vulnerable beneficiaries.	We continue to maintain clear policies and procedures in relation to safeguarding and ensure the appropriate screening, training, and supervision of personnel. A subcommittee of RMC - the Territorial Safeguarding Committee - oversees management of the risk.
Safe Mission - The risk is that we are not able to ensure the health, safety and welfare of personnel, service users and members of the public who are affected by our activities.	Comprehensive policies, procedures, and guidance are in place, alongside a supervisory control framework. Two RMC subcommittees - the Safe Mission Council and the Sudden Deaths Review Group - inform the management of this risk.

RECRUITMENT AND APPOINTMENT OF DIRECTORS

There are 14 directors of Salvation Army Trustee Company ('SATCo', the sole trustee of The Salvation Army Social Work Trust), eight by virtue of their appointments within The Salvation Army. One director is a divisional leader responsible for one of The Salvation Army's 14 divisions.

The other 5 directors are non-executive, each bringing expertise in a relevant field, as approved by The General - including property, finance, investments, or social services. The appointment of non-executive directors is made by SATCo on the recommendation of the Nominations Committee.

Training and Induction of Directors

The Company Secretary briefs new directors on their legal responsibilities and familiarises them with the Company's governance folder (and previous Board Minutes). This includes the articles of association of SATCo, the Charity Commission's essential trustee guidance, and other key documents and policies (including the Conflicts of Interest Policy). The Company Secretary regularly delivers a written governance update on relevant issues at each board meeting. Directors are also informed of and provided with the opportunity to attend several training sessions throughout the year.

Organisational Structure and Decision Making

SATCo's board ('the Board') is assisted by an Audit Committee, a Nominations Committee, an Investment Advisory Committee, and a Risk Management Committee. The Audit Committee comprises a non-executive director chair and up to three independent members with a remit to review The Salvation Army's internal and external audit arrangements and consider reports issued by internal and external auditors including the annual financial statements. The role of the Nominations Committee is to recommend new non-executive Board members. The Investment Advisory Committee includes three external advisers in its membership and advises on appropriate investments. The Risk Management Committee's role is outlined above under Risk Management.

The Board met bi-monthly during the year, with some additional meetings scheduled as required in this reporting year. In addition to its oversight and governance role, the following matters require consideration/approval by the Board:

- annual budget
- individual items of expenditure of £5 million and above
- investment policy, on the recommendation of the Investment Advisory Committee
- Risk Register
- Key Policies
- Annual Financial Statements

The Board has delegated day to day operational matters to the Territorial Operations Board, under the leadership of the Chief Secretary.

Public Benefit

The Trustees confirm that they have given due consideration to the Charity Commission's published guidance on the public benefit requirement under the Charities Act 2011.

We believe that in delivering public benefit we are effective because we bring the breadth of our capabilities to bear on the complex challenges being faced by our vulnerable clientele: the homeless, the oppressed through human trafficking, the elderly, and a suite of other community-focused activities. The organisation's strategy sets out how we meet those challenges to make a difference over the current decade and beyond. Find out more in the sections 'Summary of what The Social Army Social Work Trust does,' 'In the Frontline Against Modern Slavery,' 'Giving Homeless People Help and Understanding,' 'Wider Work in Our Communities' and 'Looking Forward as a Movement.'

Remuneration of Key Management

Key management personnel of The Salvation Army comprise Salvation Army Officers and employees. Active Salvation Army Officers do not receive a salary; instead, they receive an allowance based on length of service and seniority of position and, as ministers of religion, are provided with furnished accommodation and a motor vehicle. The allowances received by officers in positions of key management range from £19,641.90 to £27,916.75 per annum. Further information is disclosed in Note 10 and 11 to the Accounts.

For employees, we are committed to ensuring a proper balance between paying salaries which will enable us to attract and retain staff of the appropriate calibre and careful stewardship of charitable funds. All senior salaries are benchmarked against senior staff salaries of comparable organisations in the not-for-profit sector.

RISK AND GOVERNANCE

The charity has a dedicated internal audit function that undertakes audits as agreed with the Audit Committee and maintains a detailed risk register that addresses the major risks that face the organisation and may impact its ability to achieve its objectives. The key risk register is subject to regular review by the Risk Management Committee in order to take account of emerging risks and changes in the risk profile. They meet quarterly. The risk register is tabled annually at the SATCo Board for information and review.

The Internal Audit department periodically reviews SATCo's performance against the Charity Governance Code. The Internal audit department carried out a review in the period to 31 March 2024 and identified a number of minor improvements in line with best practise which SATCO acknowledge and will implement in the forthcoming Internal Audit review period.

Directors' Responsibilities

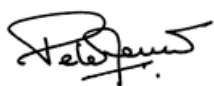
The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales/Scotland/Northern Ireland requires the Trustees to prepare financial statements for each financial year which 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 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;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. 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 financial statements are published on The Salvation Army website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of The Salvation Army's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.



On behalf of the Directors of The Salvation Army Trustee Company
12 December 2025

DIRECTORS

The current directors of The Salvation Army Trustee Company and those who held office during the financial year are as follows:

Commissioner Paul Main	Chair
Colonel Peter Forrest	Deputy Chair
Lieut-Colonel Paul Kingscott	(appointed 10.05.24)
Lieut-Colonel Nicholas Coke	(appointed 05.07.24)
Lieut-Colonel Lisa Lloyd Jones	(appointed 12.09.25)
Lieut-Colonel Mark Herbert	
Lieut-Colonel Andrew McCombe	(until 31.10.25)
Lieut-Colonel Beverley McCombe	(until 31.08.25)
Lieut-Colonel Dean Pallant	(until 30.06.24)
Lieut-Colonel Judith Payne	(until 24.07.24)
Lieut-Colonel Alan Read	(until 01.05.24)
Major Richard Bradbury	(appointed 14.11.25)
Major Amanda White	(appointed 26.09.24)
Ms Jennifer Laurent-Smart	(appointed 26.09.24)
Ms Helen O'Brien	
Mr Philip Edwards	
Mr Peter Gale	
Mr Andrew Stickland	
Mr Aidan Grills	(appointed 10.05.24)

The Chief Secretary, Colonel Peter Forrest, is responsible for the day-to-day management of the charity.

Committee Members (current, and those who were members during the period 1st April 2024-31st March 2025):

Territorial Operations Board

Colonel Peter Forrest (Chair), Major Kathy Betteridge (appointed 18.09.24), Major Kerry Coke (appointed 18.09.24), Major Jane Cowell, Mr Tony Daniels (until 04.09.24), Mr Miguel Fiallos, Mr Peter Grant, Ms Polly Hughes (appointed 18.09.24), Lieut-Colonel Mike Lloyd-Jones (until 26.03.25), Commissioner Jenine Main, Mr Mitch Menagh (until 04.09.24), Major Donald Montgomery (from 12.09.25), Ms Alex O'Hara, Major Tracy Palmer (from 12.09.25), Major Pam Pitt (from 01.07.24 to 13.08.25), Mr Nick Redmore, Lieut-Colonel David Shakespeare (until 12.09.25), Major Julian Watchorn, Major Richard Waters, Mr Julius Wolff-Ingham (until 04.09.24).

Audit Committee

Mr Andrew Stickland (Chair), Mr Stephen Bright, Ms Hannah Greenfield (until 21.11.24, and then from 08.07.2025), Mr Mike Grills.

Investment Advisory Committee

Mr Peter Gale (Chair), Mr Mark Chaloner, Ms Mary Haly, Lieut-Colonel Paul Kingscott (appointed 18.04.24), Lieut-Colonel Alan Read (until 01.05.24), Mr Marcel Schuster, Major Richard Waters.

Nominations Committee

Commissioner Paul Main, Colonel Peter Forrest, Ms Mandeep Gill (from 12.09.25), Lieut-Colonel Paul Kingscott (appointed 18.04.24), Lieut-Colonel Alan Read (until 01.05.24), Mr

Elliot Thomas (until 12.09.25). A non-executive director of SATCo also attends (dependent on the agenda).

Risk Management Committee

Ms Helen O'Brien (Chair), Major Richard Bradbury, ex-officio (from 01.11.25), Major Kerry Coke, Lieut-Colonel Nick Coke, ex-officio (appointed 01.07.24), Mandeep Gill (from 12.09.25), Lieut-Colonel Paul Kingscott, ex-officio (appointed 18.04.24), Lieut-Colonel Lisa Lloyd-Jones, ex-officio (from 01.09.25), Lieut-Colonel Mike Lloyd-Jones (from 12.09.25), Lieut-Colonel Beverley McCombe, ex-officio (until 31.08.25), Lieut-Colonel Drew McCombe, ex-officio (until 31.10.25), Major Donald Montgomery (from 12.09.25), Lieut-Colonel Dean Pallant, ex-officio (until 30.06.24), Major Sarah Price (until 12.09.25), Lieut-Colonel Alan Read, ex-officio (until 01.05.24), Lieut-Colonel Jonathan Roberts (appointed 01.09.24), Major Howard Russell (until 23.10.24), Mr Matthew Saxon, Lieut-Colonel David Shakespeare (until 12.09.25), Ms Lynette Sturgeon, Mr Elliot Thomas (until 12.09.25), Mr Daniel Wills, Mr Julius Wolff-Ingham.

Property Committee

Mr Philip Edwards (Chair), Colonel Peter Forrest, Mr Peter Grant, Major Kenneth Guest (from 20.10.25), Mr James Hodgson, Lieut-Colonel Mike Lloyd-Jones (from 20.10.25), Major Ian Mountford, Major Pam Knuckey (until 18.08.25), Major Annette Rieder-Pell, Major Mark Rose, Mr Nathan Slinn, Mr Olly Thorp.

Finance Committee

Mr Aidan Grills (Chair), Lieut-Colonel Jane Cowell, Lieut-Colonel Paul Kingscott, Mr Mitch Menagh, Major Howard Russell, Major Richard Waters, Mr Julius Wolff-Ingham.

Company Secretary

Ms Mandeep Gill is Company Secretary of The Salvation Army Trustee Company, having been appointed on 12.09.25. For the period 1st April 2024- 31st March 2025, Mr Elliot Thomas was the Company Secretary.

ADVISERS

Bankers

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

Auditors

Crowe U.K. LLP, Statutory Auditor, Chartered Accountants, 55 Ludgate Hill, London EC4M 7JW

Solicitors

England and Wales: Slaughter and May, 1 Bunhill Row, London EC1Y 8YY

Scotland: Blackadders, 5 Rutland Square, Edinburgh EH1 2AX

Investment Advisers

BWCI Consulting Limited, PO Box 68, Albert House, South Esplanade, St Peter Port, Guernsey GY1 3BY

Investment Managers

Cazenove Capital Management, 12 Moorgate, London EC2R 6DA

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

Legal & General Investment Ltd, One Coleman Street, London, EC2R 5AA

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE SALVATION ARMY SOCIAL WORK TRUST

Opinion

We have audited the financial statements of The Salvation Army Social Work Trust ('the charity') and its subsidiaries ('the group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2025 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of The Salvation Army Act 1980, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustee

As explained more fully in the trustees' responsibilities statement set out on page 49, 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 the 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists and significant component audit teams. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operate, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Salvation Army Act 1980, General Data Protection Regulation (GDPR), CQC Regulations for service providers and managers, Health and Social Care Act, taxation legislation and employment legislation.

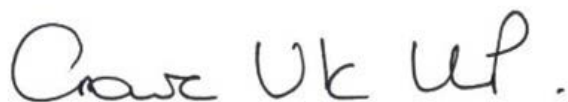
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of contract and grant income and centres' resident charges income, the valuation and completeness of investment properties and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, legal counsel and the Audit Committee about their own identification and assessment of the risks of irregularities, designing audit procedures over investment properties, contract and grant income and centres' resident charges income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, OSCR, CQC and reading Minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in dark ink that reads "Crowe U.K. LLP." The signature is written in a cursive, flowing style.

Crowe U.K. LLP

Statutory Auditor

London

23 December 2025

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

Crowe U.K. LLP is eligible for appointment as auditor of the charity under regulation 10(2) of the Charities Accounts (Scotland) Regulations by virtue of its eligibility under section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 March 2025

	Note	ENDOWMENT £000	RESTRICTED £000	UNRESTRICTED £000	2025 Total £000	2024 Total £000
INCOME AND ENDOWMENTS						
Donations and Legacies						
Grants Receivable: Salvation Army Trust		-	-	26,237	26,237	29,698
Donations		-	1,195	1,027	2,222	1,419
Legacies		-	695	383	1,078	1,358
		-	1,890	27,647	29,537	32,475
Charitable Activities						
Centres' Operations	3	-	63	96,920	96,983	90,751
Other Social Operations	4	-	1,091	80,141	81,232	86,876
Housing Association Turnover	12	-	28,453	-	28,453	27,525
		-	29,607	177,061	206,668	205,152
Investments	5	-	906	3,744	4,650	3,431
Gains/(Losses) on disposal of fixed assets		-	(1,150)	22	(1,128)	(1,098)
TOTAL INCOME		-	31,253	208,474	239,727	239,960
EXPENDITURE						
Raising Funds						
Investment Management Costs		-	-	50	50	50
		-	-	50	50	50
Charitable Activities						
Centres' Operations	6	-	6,487	111,900	118,387	114,388
Other Social Operations	7	-	170	84,502	84,672	90,828
Housing Association Operating Costs	12	-	31,926	-	31,926	26,305
Total charitable activities		-	38,583	196,402	234,985	231,521
TOTAL EXPENDITURE	9	-	38,583	196,452	235,035	231,571
Net Gains/(Losses) on Investments		(312)	(85)	(623)	(1,020)	20,167
Net Income/(Expenditure)		(312)	(7,415)	11,399	3,672	28,556
Transfers Between Funds	22/23	-	14,841	(14,841)	-	-
Actuarial Gains/(Losses) on Defined Benefit Pension Schemes	11	-	265	-	265	(501)
Net Movement in Funds		(312)	7,691	(3,442)	3,937	28,055
RECONCILIATION OF FUNDS						
Total Funds brought forward		19,010	251,319	172,691	443,020	414,965
Total Funds Carried Forward		18,698	259,010	169,249	446,957	443,020

All income and expenditure has arisen from continuing activities. Detailed comparative information is provided in note 30. Notes 1 to 30 form an integral part of these accounts.

BALANCE SHEETS

AS AT 31 March 2025

		Group		Parent	
	Note	2025 £000	2024 £000	2025 £000	2024 £000
FIXED ASSETS					
Tangible fixed assets					
Properties	13	181,612	183,728	64,535	66,835
Property schemes in progress	14	1,081	1,520	151	1,443
Motor vehicles and equipment	15	1,850	1,441	500	88
Investments	16	161,801	199,321	161,801	162,821
TOTAL FIXED ASSETS		346,344	386,010	226,987	231,187
CURRENT ASSETS					
Stocks		211	206	211	206
Debtors	17	31,900	87,314	27,223	84,658
Current asset investment		2,000	-	2,000	-
Short-term deposits		51,874	8,027	51,874	8,027
Cash at bank		54,274	23,866	28,676	19,510
		140,259	119,413	109,984	112,401
CREDITORS: amounts falling due within one year	18(a)	(32,827)	(43,743)	(22,443)	(31,609)
NET CURRENT ASSETS		107,432	75,670	87,541	80,792
TOTAL ASSETS LESS CURRENT LIABILITIES		453,776	461,680	314,528	311,979
CREDITORS: amounts falling due after more than one year	18(b)	(4,801)	(15,799)	-	-
Defined benefit pension scheme liability	11	(2,018)	(2,861)	-	-
TOTAL NET ASSETS		446,957	443,020	314,528	311,979
FUNDS					
Endowment funds	21	18,698	19,010	18,698	19,010
Restricted funds	22	259,010	251,319	126,581	120,278
Unrestricted funds	23	169,249	172,691	169,249	172,691
TOTAL FUNDS	24	446,957	443,020	314,528	311,979

Notes 1 to 30 form an integral part of these accounts.

Approved on behalf of The Salvation Army Trustee Company on 12 December 2025 by:



Colonel Peter Forrest (Director)



Commissioner Paul Main (Director)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 March 2025

	Notes	2025 £000	2025 £000	2024 £000	2024 £000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash provided by/(used in) operating activities	25		58,007		(32,671)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment and rental income		4,650		3,431	
Additions to properties		(6,247)		(7,177)	
Additions to motor vehicles and equipment		(738)		(748)	
Additions to schemes in progress		(1,024)		(5,732)	
Placing of money on deposit		(2,000)		-	
Proceeds of disposal of investments		36,500		-	
Proceeds on disposals of property		1,911		1,354	
Net cash provided by/(used in) investing activities			33,052		(8,872)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Interest payable		(1,091)		(1,371)	
Repayment of loans		(15,714)		(2,473)	
Cash inflow from new loans		-		3,500	
Net cash (used in) financing activities			(16,805)		(344)
Change in cash and cash equivalents in the year			74,255		(41,887)
Cash and cash equivalents at the beginning of the year			31,893		73,780
Cash and cash equivalents at the end of the year			106,148		31,893

ANALYSIS OF CHANGES IN NET DEBT

	Balance 1 April 2024	Cash-Flows	Non-cash flows	Balance 31 March 2025
	£000	£000	£000	£000
Cash at bank	23,866	30,408	-	54,274
Short term deposit	8,027	43,847	-	51,874
Total cash and cash equivalents	31,893	74,255	-	106,148
Loans falling due within one year	(4,825)	4,825	(109)	(109)
Loans falling due after more than one year	(15,799)	10,889	109	(4,801)
	11,269	89,969	-	101,238

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2025

1. CHARITY INFORMATION

The Salvation Army in the UK is an integrated, yet diverse, organisation that contributes to the betterment of society in the service of God and people. Legally we are structured under two main trusts. These are:

- The Salvation Army Trust (Charity Registration No. 214779 in England and Wales, and SC009359 in Scotland)
- The Salvation Army Social Work Trust (Charity Registration No. 215174 in England and Wales, and SC037691 in Scotland)

These financial statements are for The Salvation Army Social Work Trust ('Social Work Trust,' 'the Trust'). The address of the registered office is 1 Champion Park, London, SE5 8FJ.

2. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements for the Social Work Trust, which have been consistently applied, are as follows:

(a) Basis of Accounting

The accounts (financial statements) have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standards applicable in the UK and the Republic of Ireland and Charity SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS102, The Salvation Army Act 1980, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

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 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) issued on 16 July 2014 rather than the previous Statement of Recommended Practice: Accounting and Reporting by Charities which was effective from 1 April 2005 but which has since been withdrawn.

Social Work Trust meets the definition of a public benefit entity under FRS 102.

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

(b) Going Concern

The Trust has felt the financial impact of global economic factors, particularly the high inflation rates on our cost base plus the related cost of living crisis. At the time of writing, inflation in the UK is 3.6%. The Bank of England projects that inflation will fall to around 2% by mid-2026, but this remains a watching brief with the current instability arising through the trade tariffs being imposed by the USA and the global political unrest. The organisation anticipates that the trading environment will continually be challenging. The Trust has a significant contract with the Home Office, £79.0m (2024: £76.0m) which supports the Anti-Human Trafficking Programme. This equates to 90.9% (2024: 87.5%) of the Other Social Operations income stream, and should this contract be terminated; it would also mean that £76.8m expenditure (2024: £82.2m) would no longer be incurred. The Trust could continue to operate without a significant impact upon other service deliverables.

Financial projections and other supporting financial models that detail potential financial impacts upon the Social Work Trust, are reviewed on a regular basis by the operational boards as well as further scenario planning to assess the potential short, medium, and long-term financial implications of other risks and opportunities. Albeit this is currently undertaken on a lower-level scale.

Looking ahead, we plan to better utilise the financial reserves to support the organisation and where necessary invest in strategic priorities. This financial year, 2024-25 saw us continuing to spend on our strategic aims and utilising reserves to do this where possible. The closing unrestricted reserves were £169m (2024: £173m) and the cash and bank balances were £54.3m (2024: £23.9m). The significant increase in cash is due to significant funds being generated from investment property disposals in the year and the £35m deposit held by The Salvation Army Trust on behalf of the Social Work Trust in the prior year which was transferred over this year. Based on cash flow forecasts prepared covering the period to 31 March 2027, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of these financial statements and are not aware of any material uncertainties that may adversely affect the organisation. Accordingly, the financial statements will continue to be prepared on the going-concern basis.

(c) Basis of Consolidation

Social Work Trust has one subsidiary entity, the Salvation Army Homes ('SAH'). SAH is a charitable provider of supported housing and support services across England, registered under the Co-operative and Community Benefit Societies Act 2014 (registration no. 15210R) and is also registered with the Regulator of Social Housing (registration no. LH 2429). SAH has one active subsidiary, Kingsown Property Limited, and one dormant subsidiary, SAH Developments Limited, whose results are consolidated in the SAH financial statements. The accounts of The Salvation Army Social Work Trust consolidate SAH's accounts using the acquisition method. The Statement of financial activities (SOFA) and balance sheet consolidate, on a line-by-line basis, the financial statements of the Trust and its subsidiary undertakings. The Trust has taken advantage of the exemption in FRS102 from the requirement to prepare a charity-only cash flow statement and certain disclosures about the Trust's financial statements.

(d) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, Directors of the sole trustee are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

(i) Bad debt provision

Gross debtor balances are reviewed monthly by management and where they assess that there is sufficient doubt as to recoverability a percentage of provision is made where necessary. Accommodation charges outstanding are reviewed on a line-by-line basis and the provision is based on a number of factors including the age of the debt, value, and the socio-economic situation of the debtor under review.

(ii) Defined Benefit Obligation

The Salvation Army Social Work Trust contributes to the underlisted defined benefit pension or similar schemes in respect of its staff:

- **The Salvation Army Officers' Pension Fund relating to Salvation Army Officers**

Contribution levels are based on a number of critical underlying assumptions such as post and pre-retirement discount rates, rates of increase in allowances and pensions as well

as the rate of inflation. The Fund has a funding surplus; no deficit funding provision is required although variation in these assumptions may significantly impact the surplus (as analysed in Note 11(i)).

- **The Salvation Army Employees' Pension Fund**

This is a multi-employer defined benefit scheme. Managements' estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as post and pre-retirement discount rates, rates of increase in allowances and pensions as well as the rate of inflation. The scheme has a funding surplus; no deficit funding provision is required although variation in these assumptions may significantly impact the surplus (as analysed in Note 11(ii)).

- **The Salvation Army Homes participates in the Social Housing Pension Scheme, a multi-employer defined benefit scheme.**

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 11). The group net defined benefit pension obligation at 31 March 2025 was £2,018,000 (2024: £2,861,000).

(iii) **Identification and valuation of investment properties**

Social Work Trust's property portfolio is reviewed annually to identify investment properties, which are those properties held to earn income or for capital appreciation rather than to be used for its charitable purposes. Properties no longer used for charitable purposes but retained until market conditions allow their disposal are not treated as investment properties, provided disposal is intended within a three-year window. If disposal does not occur within this period and the property is not re-engaged for charitable purposes, it is reclassified to investment property.

After initial recognition, investment property is measured at its fair value which is determined by members of staff with relevant experience and qualifications, and the valuation is performed using open market data for comparable properties. The property will be valued at each subsequent reporting date.

(e) **Income**

All income is included in the SOFA when the Trust is entitled to the income, receipt is probable, and the amount can be measured reliably. Income includes:

(i) **Donations and Legacies:** Donations are accounted for when received. No amounts are included in the financial statements for services by volunteers. Gift Aid receivable is included as income when the donation is made and where there is valid Gift Aid declaration from the donor.

Legacies income is recognised when it satisfies the following criteria:

- a) There is sufficient evidence of a legacy having been left to the Trust based on probate having been granted before the year end;
- b) The Trust has been notified and has a reasonable estimate of the amount due. For residuary legacy interests, the Trust has received the confirmation of sufficient assets in the estate, in the form of either a summary of the estate from Smee & Ford or an assets and liabilities statement or estate accounts; and there are no known outstanding disputes. For all other types of legacy interests, the Trust has a reasonable estimate of the amount due. In each case this information is notified to the Trust by the date of signing the accounts;
- c) Where a legacy is subject to the interest of a life tenant, the income will not be recognised until the death of the life tenant; and
- d) Measurement of legacy income due from a residuary estate is exposed to inherent uncertainties represented by property and other investments whose value is subject to market fluctuations until realised. Additionally, professional administrative fees are incurred during an estimate administration until final distribution. The Trust recognises these uncertainties by using the latest available estate valuation information and allowing for these fluctuations by applying a discount provision

against income of between 5% and 20% per estate (10% from October 2024), based on the individual circumstances of each estate. This estimate has been revised during the current year to reflect management's best estimate of final estate values to be received.

The estimated value of legacies notified, but neither received nor included in income, is £nil (2024: £0.6m).

- (ii) **Grants including Government grants** are recognised when they are receivable providing that any conditions attached to the grants have been fulfilled. Where, at the balance sheet date, conditions remain unfulfilled, the grants are deferred pending satisfaction of these conditions. Grants received in advance of entitlement conditions being met are deferred on the balance sheet. If amounts are receivable for specific purposes, the income is shown as restricted.
- (iii) **Investment Income:** Dividends, interest and rent from investment properties are recognised in the year for which they are received or receivable.
- (iv) **Realised gains on disposal of assets** are reflected in the Statement of Financial Activities in the year of disposal. Profits on disposal of investments are calculated by reference to the asset's carrying value.
- (v) **Maintenance and Special Care Allowance** is recognised on an accruals basis when legal entitlement exists, receipt is probable, and the amount can be quantified with reasonable accuracy.

(f) **Expenditure**

Expenditure is charged on the accruals basis when a legal or constructive obligation arises, and when the amount can be measured reliably. Irrecoverable Value Added Tax is charged to the related expenditure. Total expenditure includes:

- (i) **Raising Funds:** This includes costs of managing the Trust's financial investments, recognised in the period the costs relate to on an accruals basis.
- (ii) **Charitable Activities:** Costs reflect all expenditure relating directly to the charitable objects of the Trust, adding attributable overheads and an allocation of governance costs. Attributable overheads are allocated over the range of charitable activities on an actual basis where possible, otherwise on a basis which is consistent with the utilisation of resources.
- (iii) **Governance Costs** reflect the costs incurred under the governance arrangements of the charity which consist of the costs of complying with legislation including audit, legal services, and strategic planning. Support costs have been apportioned to each category of expenditure: number of Full-Time Equivalent staff, equipment per headcount, transactions, and buildings per cost centre.
- (iv) **Support costs:** Items which cannot be attributed fully to Charitable Activities, Raising Funds or Governance have been apportioned to each category of expenditure based on the most relevant measure out of number of Full-Time Equivalent staff, equipment per headcount, transactions per cost centre, or buildings per cost centre.

(g) **Pension and Similar Costs**

The Salvation Army Social Work Trust contributes to three pension or similar schemes in respect of its staff:

- The Salvation Army Officers' Pension Fund relating to Salvation Army Officers;
- The Salvation Army Employees' Pension Fund; and
- The Salvation Army Employees' Defined Contribution Scheme, a defined contribution scheme.

The Salvation Army Officers' Pension Fund was established by The Salvation Army Act 1963 under the legal name, The Salvation Army Officers Pension Fund. It is a registered charity and retirement benefits are not guaranteed and are paid at the discretion of the

Board of the Fund. It is non-contributory and has historically been funded by Salvation Army trusts (including The Salvation Army Trust and The Salvation Army Social Work Trust); however, there have been no payments made to the Fund during the current year. Officers that serve in the principal Trusts (The Salvation Army Trust and The Salvation Army Social Work Trust) may receive a retirement allowance from the Fund in the future, although, it is not possible to allocate the assets and constructive liabilities of the Fund between the Trusts. Therefore, the Fund is accounted for in a similar way as a multi-employer pension fund.

The Salvation Army Employees' Pension Fund is a defined benefit scheme. The Trust is not the only participating employer in the Fund and it is unable to determine its share of the underlying assets and liabilities on a consistent and reasonable basis. This is because contributions paid into the Fund have not been invested separately from those paid by other employers participating in the Fund. As such, no separate fund is identifiable in respect of the Trust. To determine a current fund for each participating employer it would be necessary to separately account for contributions, benefit payments and investment returns for each participating employer.

Under the terms of the Fund, the assets and liabilities are pooled amongst the participating employers. If a participating employer were to cease to participate then that employer would be required to pay a debt, via a Section 75 Debt, to fully fund their share of the Fund's liabilities. The Trust would not be liable for another employer's debt but has an option to assume responsibility under an apportionment arrangement.

The Fund closed to the future accrual of pensionable service with effect from 30 April 2023 and therefore regular employer contributions ceased on this date.

A full actuarial valuation of the Fund was carried out at 31 March 2021 by the Fund Actuary. The valuation disclosed a past service surplus of £2.5m.

An update of the funding position as at 31 March 2025 was carried out by the Fund Actuary. This showed that the past service surplus had increased from £2.5m to a surplus of £52.8m on the 2021 valuation basis.

Since 1 January 2012, employees joined The Salvation Army Employees' Defined Contribution Scheme.

In addition, Salvation Army Homes participates in three pension or similar schemes in respect of its staff.

The Salvation Army Homes (SAH) participates in the following pension schemes:

- (i) Social Housing Pension Scheme, a multi-employer defined benefit scheme. Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses. The net defined benefit pension obligation at 31 March 2025 was £2,018,000.
- (ii) The auto-enrolment SHPS defined contribution pension scheme, the contributions on which are charged when payments to the pension scheme fall due.
- (iii) The Pension Trust Growth Plan, a multi-employer defined benefit scheme. The pension charge represents the amounts payable by the company to the scheme in respect of the year. In the past, this scheme included a defined benefit element as the pensions were index linked, so where there is a contractual obligation to make payments under a deficit reduction plan in respect of the former defined benefit element of the scheme, this has been recognised as a liability in full in the financial statements.

(h) **Fixed Assets**

- (i) **Expenditure on the acquisition or improvement of property** is reflected as a fixed asset, whereas costs of repairs and renewals to property are charged to the Statement of Financial Activities. The non-capital element of property schemes is written off in the year in which costs are incurred.

All properties are disclosed at cost less accumulated depreciation other than SAH properties at the dates of acquisition (19 January 2011 and 2 March 2017) which were brought into account at those dates at fair values (being an existing use social housing valuation (EUV - SH) prepared by independent chartered surveyors). These properties are subsequently depreciated at the rates indicated below.

- (ii) **Expenditure on the acquisition of vehicles** is capitalised and expenditure on computer equipment and other office equipment which exceeds £15,000 in value is capitalised and depreciated over its economic life. Any equipment acquired at centres is written off in the year of acquisition.
- (iii) In accordance with FRS 102 component accounting has been adopted for freehold and long leasehold properties. A property comprises of major components with different useful lives. Depreciation is charged on major components so as to write off the cost of the components to their residual values, over their estimated useful lives, using the straight-line method, as follows

Freehold Land	Not depreciated
Building - Main Fabric (structure)	50 years
<u>Major Components</u>	
Roof structure and covering	50 years
Bathrooms and WCs	20-30 years
Lifts	25 years
Mechanical and Electrical Systems	25 years
Windows and External Doors	25 years
Kitchens	20 years

Short leasehold properties are depreciated over the term of the lease.

- (iv) Depreciation is provided on other tangible fixed assets at the following rates:

Motor Vehicles	- 3-4 years
Office Equipment	- 3-10 years
- (v) The Social Work Trust has achieved partnership status with the Homes England which means that it can access capital funds from this source to assist with the costs of schemes. SAH has always been able to access this funding. Grants arising are credited to restricted income except where the income is subject to certain restrictions which remain unfulfilled at the accounting reference date, in which case the income is deferred. A proportion of the depreciation charge arising on the properties concerned is charged against these restricted funds.

(i) **Investments and Investment Properties**

To comply with the Charities SORP, investments are included at fair value (their market value bid price). Realised gains on investments are calculated as the difference between sales proceeds and the market value of those investments at the beginning of the accounting period.

The Salvation Army Social Work Trust holds some investment properties, and its subsidiary SAH owns properties held for market rent or commercial lettings and these are included as investment properties and are recorded at fair value with changes in the market value reported annually in the statement of financial activities. The fair value of the investment property is determined by members of staff with relevant experience and qualifications. The residential investment properties have been valued by the comparable method of valuation in accordance with The Royal Institution of Chartered Surveyors comparable evidence in real estate valuation - Professional Standard, using a market approach. These valuations have been benchmarked using a data system called Sprift.

A valuation by an independent valuer was not performed.

(j) **Stocks**

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

(k) **Cash, short-term deposits and current asset investments**

Cash include cash in hand, deposits with banks and funds that are readily convertible into cash at, or close to, their carrying values, but not held for investment purposes. Short-term deposits are amounts not accessible for a period of up to 3 months. Current asset investments are amounts not accessible for a period of between 3 months and 12 months.

(l) **Funds**

- (i) **Endowments consist of** permanent endowments and expendable endowments. The capital of permanent endowments must by law be retained. Expendable endowments are funds where the capital can be maintained or expensed at the discretion of the Trustee. It is the Trustee's current intention that the capital will be maintained.
- (ii) **Restricted Funds are held for** restricted purposes, as specified by the donors. All SAH funds are reflected in the consolidated accounts as restricted funds. Social Work Fund represents monies already expended on the acquisition, construction and improvement of freehold and leasehold properties, schemes in progress and unspent funds.
- (iii) **Unrestricted Funds include:**
 - Designated Reserves held for purposes designated by The Trustee in the exercise of its discretionary powers;
 - Unrealised Gains Reserve held to separate unrecognised gains still subject to market risk; and
 - General Reserve representing the net assets not designated for specific purposes.
- (iv) **Transfers between funds arise** from the sale or purchase of property or the approval of funding for property schemes in progress which are transferred between unrestricted and restricted funds.

(m) **Financial instruments classification**

All financial instruments, including loans, are classified as 'basic.' Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

Financial assets held at amortised cost comprise cash at bank and in hand, together with trade debtors, other debtors, and accrued income. Financial assets held at fair value include investments including investment property, excluding cash held as part of the investment portfolio.

Financial liabilities held at amortised cost comprise trade creditors, other creditors, and accruals.

3. CHARITABLE ACTIVITIES: CENTRE OPERATIONS

	2025				2024	
	Maintenance & Special Care Allowance £000	Supporting People £000	Local Authority & Other Grants £000	Catering & Miscellaneous Income £000	Total £000	Total £000
Social services centres:						
Older people	17,318	-	31	85	17,434	15,805
Single homeless	13,292	12,137	485	281	26,195	24,138
Family and children	2,015	2,545	657	488	5,705	5,372
Day care	-	267	-	36	303	293
Addictions	784	778	14	6	1,582	1,632
Other non-residential programmes	24	1,186	1,570	1,643	4,423	4,153
	33,433	16,913	2,757	2,539	55,642	51,393
Housing association centres:						
Older people	1,331	-	-	23	1,354	1,172
Single homeless	26,265	10,345	743	488	37,841	35,879
Family and children	1,108	605	80	12	1,805	1,789
	28,704	10,950	823	523	41,000	38,840
Social enterprise	1	-	84	256	341	518
Total 2025	62,138	27,863	3,664	3,318	96,983	90,751
Total 2024	56,982	26,221	3,969	3,579		90,751

Income of £63,000 (2024: £281,000) is restricted.

£215,000 (2024: £105,000) of government grants, £2,140,000 (2024: £2,541,000) of local authority grants and £918,000 (2024: £971,000) of other grants were received for outsourced services performed by the Trust on behalf of local authorities and other government bodies. There were no unfulfilled conditions relating to these grants. Also see Note 4 for details of other government grants received.

	-----2024-----				
	Maintenance & Special Care Allowance £000	Supporting People £000	Local Authority & Other Grants £000	Catering & Miscellaneous Income £000	Total £000
Social services centres					
Older people	15,686	-	9	110	15,805
Single homeless	11,763	11,193	459	723	24,138
Family and children	1,878	2,374	764	356	5,372
Day care	-	250	-	43	293
Addictions	811	782	32	7	1,632
Other non-residential programmes	159	1,039	1,523	1,432	4,153
	30,297	15,638	2,787	2,671	51,393
Housing association centres					
Older people	1,169	-	-	3	1,172
Single homeless	24,453	9,901	1,109	416	35,879
Family and children	1,063	650	29	47	1,789
	26,685	10,551	1,138	466	38,840
Social enterprise	-	32	44	442	518
Total 2024	56,982	26,221	3,969	3,579	90,751

4. OTHER SOCIAL OPERATIONS

	2025				2024
	Maintenance & Special Care Allowance £000	Home Office Contract £000	Local Authority & Other Grants £000	Catering & Miscellaneous Income £000	Total £000
Employment Plus	-	-	1,656	111	1,767
Anti-Human Trafficking	-	78,993	157	-	79,150
Defence Services Operations	-	-	-	256	256
Family Tracing, Counselling etc	-	-	-	59	59
Total 2025	-	78,993	1,813	426	81,232
Total 2024	-	75,989	1,446	9,441	86,876

Local authority and other grants include £1,156,000 (2024: £889,000) of Employment Services Contracts and £468,000 (2024: £383,000) of government grants. There were no unfulfilled conditions relating to these grants.

	-----2024-----				
	Maintenance & Special Care Allowance £000	Home Office Contract £000	Local Authority & Other Grants £000	Catering & Miscellaneous Income £000	Total £000
Employment plus	-	-	1,272	158	1,430
Anti-human trafficking	-	75,989	174	9,035	85,198
Defence services operations	-	-	-	211	211
Family tracing, counselling etc	-	-	-	37	37
Total 2024	-	75,989	1,446	9,441	86,876

5. INVESTMENT INCOME

	Restricted £000	Unrestricted £000	2025 Total £000	2024 Total £000
Dividends and interest receivable	906	3,247	4,153	2,754
Rents receivable	-	269	269	439
Rental income from investment properties	-	228	228	238
	906	3,744	4,650	3,431

6. ANALYSIS OF CENTRES' OPERATIONS COSTS

	2025						2024
	Salaries & Other Staff Costs	Catering, Cleaning & Other Services	Other Operating Costs	Property & Furnishings	Support Costs	Governance Costs	Total
	£000	£000	£000	£000	£000	£000	£000
Social services centres							
Older people	16,603	1,175	958	4,496	2,381	323	25,936
Single homeless	17,051	686	5,760	5,461	819	43	29,820
Family and children	4,065	25	509	1,211	909	10	6,729
Day care	558	17	37	152	125	1	890
Addictions	1,669	4	169	355	244	4	2,445
Other non-residential programmes	4,699	710	583	1,417	961	61	8,431
	<u>44,645</u>	<u>2,617</u>	<u>8,016</u>	<u>13,092</u>	<u>5,439</u>	<u>442</u>	<u>74,251</u>
Housing association centres							
Older people	1,173	111	314	164	306	3	2,071
Single homeless	20,499	2,206	3,072	7,248	5,332	66	38,423
Family and children	1,182	4	299	392	290	3	2,170
	<u>22,854</u>	<u>2,321</u>	<u>3,699</u>	<u>7,804</u>	<u>5,928</u>	<u>72</u>	<u>42,678</u>
Social enterprise	291	209	71	735	111	41	1,458
Total 2025	<u>67,790</u>	<u>5,147</u>	<u>11,786</u>	<u>21,631</u>	<u>11,478</u>	<u>555</u>	<u>118,387</u>
Total 2024	<u>61,423</u>	<u>4,874</u>	<u>18,253</u>	<u>18,517</u>	<u>10,660</u>	<u>661</u>	<u>114,388</u>

Governance costs include external audit fees, exclusive of VAT, of £361,875 (being £181,875 for the year ended 31 March 2025 and £180,000 for first year audit transition fees) (2024: £145,500) for the Trust, £53,040 (2024: £45,200) for SAH and £5,639 (2024: £6,273) for Kingsown Property Limited (subsidiary of SAH).

Non-audit service fees, exclusive of VAT, payable to the auditor were £86,889 (2024: £59,607) for the Trust, £Nil (2024: £Nil) for SAH and (£13,838) (2024: £4,418) for Kingsown Property Limited.

£6,487,000 (2024: £9,293,000) of centres' operations costs are funded from restricted funds.

	~~2024~~						
	Salaries & Other Staff Costs £000	Catering, Cleaning & Other Services £000	Other Operating Costs £000	Property & Furnishings £000	Support Costs £000	Governance Costs £000	Total £000
Social services centres							
Older people	15,265	1,103	868	4,899	2,285	85	24,505
Single homeless	14,991	598	5,292	5,408	1,451	374	28,114
Family and children	3,712	34	511	888	853	8	6,006
Day care centres	326	4	9	145	116	1	601
Addictions	1,460	3	243	431	165	3	2,305
Other non-residential programmes	4,755	635	1,152	1,870	1,415	12	9,839
	40,509	2,377	8,075	13,641	6,285	483	71,370
Housing association centres							
Older people	956	109	345	223	250	2	1,885
Single homeless	18,538	2,152	9,406	3,883	3,678	173	37,830
Family and children	1,099	3	346	513	325	3	2,289
	20,593	2,264	10,097	4,619	4,253	178	42,004
Social enterprise	321	233	81	257	122	-	1,014
Total Costs 2024	61,423	4,874	18,253	18,517	10,660	661	114,388

7. OTHER SOCIAL OPERATIONS

	2025						2024
	Salaries & Other Staff Costs	Catering, Cleaning & Other Services	Other Operating Costs	Property & Furnishings	Support Costs	Governance Costs	Total
	£000	£000	£000	£000	£000	£000	£000
Social Services Centres							
Employment Plus	5,387	4	317	69	158	3	5,938
Anti-Human Trafficking	7,648	89	67,431	1,661	153	1	76,983
Defence Services Operations	217	109	24	4	10	-	364
Family Tracing, Counselling etc	891	3	485	-	8	-	1,387
Total 2025	14,143	205	68,257	1,734	329	4	84,672
Total 2024	14,259	198	75,071	1,161	109	30	90,828

Employment Plus includes a number of matched funding contracts.

	2024						
	Salaries & Other Staff Costs	Catering, Cleaning & Other Services	Other Operating Costs	Property & Furnishings	Support Costs	Governance Costs	Total
	£000	£000	£000	£000	£000	£000	£000
Social services centres							
Employment plus	4,905	3	301	79	68	-	5,356
Anti-human trafficking	7,304	87	73,652	1,060	35	30	82,168
Defence services operations	188	100	29	4	6	-	327
Family tracing, counselling etc	1,862	8	1,089	18	-	-	2,977
Total costs 2024	14,259	198	75,071	1,161	109	30	90,828

8. ANALYSIS OF SUPPORT COSTS

Support costs consist of:	2025 £	2024 £
Governance	424	357
Communications	189	132
Personnel	3,144	2,997
Business administration	7,799	7,084
Mission service management	251	199
Total	11,807	10,769

9. ANALYSIS OF TOTAL EXPENDITURE

	2025 Staff costs £000	2024 Depreciation £000	2025 Other Costs £000	2025 Total £000	2024 Total £000
Raising funds	-	-	50	50	50
Charitable activities	93,852	5,711	135,422	234,985	231,471
	93,852	5,711	135,472	235,035	231,521

10. PERSONNEL

	2025 Parent £000	2024 Parent £000	2025 Subsidiary £000	2024 Subsidiary £000	2025 Total £000	2024 Total £000
Allowances and salaries	58,806	53,526	9,666	9,055	68,472	62,581
Social security costs	5,123	4,649	1,029	850	6,152	5,499
Pension and similar costs	3,709	3,283	1,144	1,130	4,853	4,413
	67,638	61,458	11,839	11,035	79,477	72,493
Temporary agency staff costs	13,344	13,173	1,031	1,032	14,375	14,205

£3,144k (2024: £2,997k) of staff costs have been paid by SAT and recharged across.

Redundancy Costs

Redundancy costs relating to employees in the Social Work Trust, including SAH, amounted to £393,114 (2024: £347,703). Redundancy costs are recognised once a decision to make a post redundant has been communicated to an individual or the workforce. There are redundancy and termination payment liabilities of £Nil for 2025 (2024: £Nil).

The average number of officer and employees was:

	2025 Headcount No.	2024 Headcount No. (restated)
Trust		
Number of officers	70	68
Number of employees	2,016	1,975
	2,086	2,043
Subsidiary	376	349
Total	2,462	2,392

The comparatives have been restated due to an error in the calculation in the prior year.

Higher-Paid Employees

The following indicates the number of the group's and parent's employees earning between:

	2025 Parent No.	2025 Subsidiary No.	2025 Total No.	2024 Total No.
£60,001 - £70,000	18	6	24	16
£70,001 - £80,000	15	2	17	6
£80,001 - £90,000	2	2	4	10
£90,001 - £100,000	2	1	3	1
£100,001 - £110,000	2	-	2	1
£110,001 - £120,000	1	-	1	-
£120,001 - £130,000	1	-	1	1
£130,001 - £140,000	-	1	1	-
£160,001 - £170,000	-	1	1	1
	41	13	54	36

The directors of The Salvation Army Trustee Company comprise Salvation Army Officers and other external directors with specialist expertise. All active Salvation Army Officers receive an allowance based on length of service and, as ministers of religion, are provided with furnished accommodation and a motor vehicle. The allowances received by the officers serving as directors ranged from £19,641.90 to £27,916.75 per annum (2024: £20,280.32 to £24,939.79 per annum) and they did not receive any additional remuneration for their duties as directors. No allowances or salaries paid to any of the directors are charged direct to the Social Work Trust and therefore the cost is not included in the Trust's Statement of Financial Activities but is disclosed in this note.

No expenses were incurred by the directors of The Salvation Army Trustee Company in relation to their role as directors.

The costs of indemnity insurance, to protect The Salvation Army Trustee Company directors against claims for neglect or default, were borne by The Salvation Army Trust.

Certain directors of SAH are remunerated. Lieut-Colonel Drew McCombe is a director of both SAH and of The Salvation Army Trustee Company. He is remunerated £5,000 (2024: £4,000) which is donated to The Salvation Army Trust. Mr. Philip Edwards is also a director of both SAH and of The Salvation Army Trustee Company, he is remunerated £6,000 (2024: £652).

Salvation Army Officers who are members of SATCO have 13 (2024: eight) family members who are officers and are paid an allowance in accordance with The Salvation Army Act. The allowances received by these family members ranged from £8,153.47 to £26,804.35 per annum in 2024/25 (2024: £4,538.84 - £18,531.47).

Key Management Personnel

The key management personnel of the Trust are those persons having authority and responsibility for planning, directing, and controlling the activities of the Trust, directly or indirectly. This is defined by the Trust as the directors of The Salvation Army Trustee Company as the Corporate Trustee of the Trust and the executive directors (officers and employees) of the Trust. The total aggregate remuneration, including employer National Insurance and pension contributions for the year paid to key management personnel during the year was £1,731,179 (£187,349 was paid by Social Work Trust and £1,543,830 was paid by Salvation Army Trust) (2024: £1,445,473).

11. PENSION AND SIMILAR COSTS

The Salvation Army Social Work Trust may make contributions to three pension or similar schemes in respect of its officers or staff:

- (i) The Salvation Army Officers Pension Fund relating to Salvation Army Officers,
- (ii) The Salvation Army Employees' Pension Fund for other staff, a defined benefit scheme which closed to new members with effect from 31 December 2011 and ceased accruing benefits for existing members on 30 April 2023.
- (iii) The Salvation Army Defined Contribution Pension Scheme,

Salvation Army Homes participates in the Social Housing Pension Scheme. Amounts charged in respect of pension fund contributions for the year are disclosed in Note 10 above.

- **SALVATION ARMY OFFICERS PENSION FUND**

The Salvation Army Officers Pension Fund ('the Fund') was established by The Salvation Army Act 1963 under the legal name, The Salvation Army Officers Pension Fund. It is a registered charity and retirement benefits are not guaranteed and are paid at the discretion of the Board of the Fund. It is non-contributory and is funded by Salvation Army Trusts (including The Salvation Army Trust and The Salvation Army Social Work Trust); however, there have been no payments made to the Fund during the current year. Officers that serve in the principal Trusts (The Salvation Army Trust and The Salvation Army Social Work Trust) may receive a retirement allowance from the Fund in the future, although, it is not possible to allocate the assets and constructive liabilities of the Fund between the Trusts. Therefore, as both Salvation Army Trust and Social Work Trust may contribute to the Fund, it is, for accounting purposes, disclosed and accounted for in a similar way to a multi-employer pension fund.

The Salvation Army Officers Pension Fund was subject to a triennial actuarial review on 31 March 2022. This actuarial valuation indicated that the Fund was in surplus on the funding basis. As such, no additional contributions are currently required to fund a deficit in the Fund. Following this valuation, it was also agreed that regular contributions into the Fund would cease until the next valuation as at 31 March 2025.

The calculations for the FRS102 disclosures have been carried out by running full actuarial calculations as at 31 March 2025 and the disclosures are shown below

The Fund is ordinarily funded by means of regular contributions to cover current retirement benefit accrual, with the rate of contributions determined at each triennial valuation. The funding method currently employed is the Attained Age Method which measures the increase in the funding target relating to future benefits expected to accrue to active Officers over the period to retirement or earlier leaving service. Additional contributions are made to cover any shortfalls that arise following each valuation. The Board of the Fund determine the level of contributions payable to it following agreement with the principal trusts of the Army and the advice of the Fund actuary.

There have been no amendments to the Fund during the year and no dedicated events have occurred.

Obligations for the Salvation Army in respect of the Salvation Army Officers Pension Fund

	31/03/2025 (£'000)	31/03/2024 (£'000)
Fair Value of Fund Assets	240,454	258,768
Present value of funded obligations	(150,974)	(174,685)
Net overfunding in Fund	89,480	84,083
Unrecognised assets	(89,480)	(84,083)
Net Defined Benefit Asset	-	-

The amounts recognised in the expenditure section of the Statement of Financial Activities are as follows:

	31/03/2025 (£'000)	31/03/2024 (£'000)
Service cost	3,566	3,705
Administration expenses	245	270
Expense recognised in expenditure section of statement of financial activities	3,811	3,975

The net interest on net defined benefit liability item is broken down as follows:

	31/03/2025 (£'000)	31/03/2024 (£'000)
Interest on obligation	8,339	8,029
Interest on assets	(12,459)	(12,412)
Net Interest on net defined benefit liability	(4,120)	(4,383)

The amounts recognised as actuarial gains/(losses) are as follows:

	31/03/2025 (£'000)	31/03/2024 (£'000)
Return on assets (not included in interest)	(21,415)	(13,011)
Actuarial gains on obligation	26,502	3,441
Change in asset ceiling value	(1,276)	13,545
Total amount recognised in actuarial gains/(losses)	3,811	3,975
Actual return on fund assets	(8,956)	(600)

No contributions to the Fund were paid by the Army over the year from 1 April 2024 to 31 March 2025.

No contributions to the Fund are expected from the Army over the next year from 1 April 2025 to 31 March 2026.

Changes in the present value of the Fund's Defined Benefit Liability are as follows:

	31/03/2025 (£'000)	31/03/2024 (£'000)
Opening defined benefit liability	174,685	175,283
Service cost	3,566	3,705
Benefits paid	(9,114)	(8,891)
Interest on obligation	8,339	8,029
Actuarial (gains) on fund liabilities	(26,502)	(3,441)
Closing defined benefit liability	150,974	174,685

The weighted average duration of the liabilities of the Fund was 13 years as at 31 March 2025.

Changes in the fair value of Fund assets are as follows:

	31/03/2025 (£'000)	31/03/2024 (£'000)
Opening fair value of fund assets	258,769	268,529
Interest on assets	12,459	12,412
Return on assets (not included in interest)	(21,415)	(13,011)
Contributions by employer	-	-
Benefits paid	(9,114)	(8,891)
Administration expenses	(245)	(270)
	240,454	258,769

The major categories of fund assets as a percentage of the total are as follows:

	31/03/2025 (%)	31/03/2024 (%)
Equities	30.4	30.5
Index linked bonds	68.1	68.0
Cash	1.5	1.5

All of the Fund's assets have a quoted market price in an active market. The Fund does not hold any property or other assets used by the Army.

Principal actuarial assumptions used for the FRS 102 disclosures:

	31/03/2025 (%)	31/03/2024 (%)
Discount rate at end of year	5.8	4.9
Discount rate at start of year	4.9	4.7
Inflation	3.05	3.5
Rate of increase in allowances	3.55	4.0

Mortality Assumptions

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements.

The assumptions are that an officer aged 65 will live on average until age 88 if they are male and until age 89 if female.

For an officer currently aged 55, the assumptions are that if they attain age 65 they will live on average until age 88 if they are male and until age 90 if female.

• SALVATION ARMY EMPLOYEES' PENSION FUND

The Trust is a participating employer of the Salvation Army Employees' Pension Fund ("the Fund"), a defined benefit scheme.

A valuation of the Fund for the purposes of these disclosures was carried out at 31 March 2025 by an independent actuary. The major assumptions used by the actuary, together with those used in the previous year, were: -

	31 March 2025	31 March 2024
	% pa	% pa
Discount rate	5.8	4.9
RPI inflation rate	3.0	3.5
CPI inflation rate	2.6	3.2
Rate of increase in pensionable salaries	3.5	3.9
Rate of increase in pension payments	2.0 / 2.85	2.3 / 3.3

The major categories of the Fund's assets as a percentage of the total Fund assets, were as follows:

	31 March 2025	31 March 2024
	%	%
Gilts	76	47
Index-Linked Gilts	24	44
AVC's	-	2
Cash and Net Current Assets	-	7

The following amounts at 31 March 2025 were measured in accordance with the requirements of FRS102.

	£ million
Total market value of assets	164.45
Present value of funded obligations	(111.69)
Net overfunding in Fund	52.76
Unrecognised assets	(52.76)
Net Defined Benefit Asset	0.00

The Fund operated by the Salvation Army is a defined benefit scheme. However, the Company is not the only participating employer in the Fund and it is unable to determine its share of the underlying assets and liabilities on a consistent and reasonable basis. This is because contributions paid into the Fund have not been invested separately to those paid by other employers participating in the Fund. As such no separate fund is identifiable in respect of the Company. In order to determine a current fund for each participating employer it would be necessary to separately account for contributions, benefit payments and investment returns for each participating employer. Under the terms of the Fund, the assets and liabilities are pooled amongst the participating employers. If a participating employer were to cease to participate then that employer would be required to pay a debt to fully fund their share of the Fund's liabilities. The Company would not be liable for another employer's debt but has an option to assume responsibility under an apportionment arrangement. The Fund closed to the future accrual of pensionable service with effect from 30 April 2023 and therefore regular employer contributions ceased on this date.

Due to the change in actuary in the year, the treatment of AVC's in the fund assets and defined benefit obligations has changed from the prior year. The DC AVCs have been excluded from both the assets and defined benefit obligations in the current year whereas they were included in the prior year. The change in treatment has no impact on the overall net pension asset.

A full actuarial valuation of the Fund was carried out at 31 March 2021 by the Scheme Actuary. The valuation disclosed a past service surplus of £2.5m. An update of the funding position as at 31 March 2023 was carried out by the Scheme Actuary. This showed that the past service surplus had increased from £2.5m to a surplus of £65.5m on the 2021 valuation basis.

- SOCIAL HOUSING PENSION SCHEME (SHPS)**

SAH participates in SHPS, a multi-employer pension scheme which provides benefits to non-associated participating employers. The scheme is classed as a defined benefit scheme in the UK. The scheme is classified as a 'last man standing' arrangement. Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme. Under the defined benefit pension accounting approach, the SHPS net deficit as at 1 April 2024 is £2,861k and £2,018k as at 31 March 2025.

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET/(LIABILITY)

	2025 £000	2024 £000
Fair value of plan assets	11,811	12,222
Present value of defined benefit obligation	(13,829)	(15,083)
(Deficit) in plan	(2,018)	(2,861)
Deferred tax	-	-
Net defined benefit (liability) to be recognised	(2,018)	(2,861)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	2025 £000	2024 £000
Defined benefit obligation at start of period	15,083	15,138
Expenses	15	14
Interest expense	725	726
Actuarial losses/(gains) due to scheme experience	253	(43)
Actuarial (gains) due to changes in demographic assumptions	-	(174)
Actuarial (gains) due to changes in financial assumptions	(1,657)	(35)
Benefits paid and expenses	(590)	(543)
Defined benefit obligation	13,829	15,083

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	2025 £000	2024 £000
Fair value of plan assets at start of period	12,222	12,287
Interest income	601	602
Experience on plan assets (excluding amounts included in interest income) - (loss)	(1,139)	(753)
Contributions by the employer	717	629
Benefits paid and expenses	(590)	(543)
Fair value of plan assets at end of period	11,811	12,222

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2025 was (£538,000) (2024: (£151,000)).

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF FINANCIAL ACTIVITIES

	2025 £000	2024 £000
Expenses	15	14
Net interest expense	124	124
Total expense	139	138

DEFINED BENEFIT COSTS RECOGNISED IN OTHER RECOGNISED GAINS AND LOSSES

	2025 £000	2024 £000
Experience on plan assets (excluding amounts included in net interest cost) - (loss)	(1,139)	(753)
Experience (losses)/gains arising on the plan liabilities	(253)	43
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain	-	174
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain	1,657	35
Total amount recognised in other recognised gains/(losses)	265	(501)

ASSETS

	2025 £000	2024 £000
Global equity	1,323	1,218
Absolute return	-	477
Distressed opportunities	-	431
Credit relative value	-	400
Alternative risk premia	-	388
Liquid alternative	2,190	-
Emerging markets debt	-	158
Risk sharing	-	715
Insurance-linked securities	36	63
Property	592	491
Infrastructure	2	1,235
Private equity	10	10
Real assets	1,414	-
Private debt	-	481
Opportunistic liquid credit	-	478
High yield	-	2
Private credit	1,446	-
Credit relative value	452	-
Investment grade credit	364	-
Cash	160	241
Long-lease property	3	79
Secured income	197	365
Liability-driven investment	3,577	4,974
Currency hedging	19	(5)
Net current assets	26	21
Total assets	11,811	12,222

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

KEY ASSUMPTIONS

	2025 % per annum	2024 % per annum
Discount rate	4.82%	4.90%
Inflation (RPI)	3.10%	3.15%
Inflation (CPI)	2.79%	2.75%
Salary growth	3.79%	3.78%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2025	20.5
Female retiring in 2025	23.0
Male retiring in 2045	21.8
Female retiring in 2045	24.4

EMPLOYER PENSION CONTRIBUTIONS

	2025 £000	2024 £000
Defined benefit employer contributions including deficit contributions	717	629
Growth Plan deficit contributions	-	98
Auto-enrolment & SHPS defined contribution including deficit contribution	428	402
	1,145	1,129

The defined benefit pension costs for Salvation Army Homes were £717,000 (2024: £629,261). The pension cost is assessed in accordance with the advice of a qualified actuary using the Projected Unit Fund Method and is not materially different from that arising from the current employer's contribution rate.

THE GROWTH PLAN

Until 2022-23, Salvation Army Homes participated in a multi-employer Growth Plan Scheme. Following the last member leaving the scheme, the plan was considered closed. In 2024-25, 90% of the due liability was repaid, amounting to £325,000. There remains a liability of 10% due to be paid.

AUTO-ENROLMENT

As a result of the introduction of pensions 'auto-enrolment' by the Government, the cost of the new defined contribution scheme administered by SHPS was £428,000 (2024: £402,202).

12. SALVATION ARMY HOMES TURNOVER AND OPERATING COSTS

By virtue of the governing document of The Salvation Army Homes ('SAH'), The Salvation Army Social Work Trust has effective control of SAH.

The net assets of SAH and its subsidiaries have been consolidated within these accounts. The net assets of the SAH group were, on acquisition, adjusted to fair values.

For the purpose of establishing fair values, SAH's property portfolio was valued by an independent chartered surveyor on an existing use social housing (EUV - SH) basis.

SAH's results, adjusted to reflect The Salvation Army Social Work Trust's accounting policies, were as follows:

	2025		2024	
	£000	£000	£000	£000
Turnover		28,453		27,525
Grants received		-		-
		<u>28,453</u>		<u>27,525</u>
Operating costs				
Staff costs	(11,839)		(11,034)	
Other costs	(15,580)		(10,250)	
Interest payable	(1,091)		(1,371)	
Property depreciation	(3,493)		(3,673)	
Tax	<u>77</u>	<u>(31,926)</u>	<u>23</u>	<u>(26,305)</u>
(Loss) on disposal of assets		(1,569)		(2,173)
Gain on revaluation of investment properties		-		3,000
Interest receivable		745		105
Social Housing Pension Scheme (SHPS)				
Actuarial gain / (loss)		<u>265</u>		<u>(501)</u>
		<u>(4,032)</u>		<u>1,651</u>

*Other Costs includes temporary agency staff costs of £1,031,000 (2024: £1,031,858).

13. PROPERTIES

GROUP	Freehold £000	Leasehold £000	Total £000
Cost or valuation			
Balance at 1 April 2024	209,119	52,440	261,559
Additions during the year	3,913	2,334	6,247
Schemes completed during the year	<u>59</u>	<u>-</u>	<u>59</u>
	213,091	54,774	267,865
Less: disposals	<u>(1,116)</u>	<u>(3,442)</u>	<u>(4,558)</u>
Balance as at 31 March 2025	<u>211,975</u>	<u>51,332</u>	<u>263,307</u>
Accumulated depreciation			
Balance at 1 April 2024	60,501	17,330	77,831
Charge for the year	4,681	701	5,382
Less: disposals	<u>(322)</u>	<u>(1,196)</u>	<u>(1,518)</u>
Balance as at 31 March 2025	<u>64,860</u>	<u>16,835</u>	<u>81,695</u>
Net book value at 31 March 2025	<u>150,295</u>	<u>31,317</u>	<u>181,612</u>
Net book value at 31 March 2024	<u>148,618</u>	<u>35,110</u>	<u>183,728</u>

Both SAH's portfolio (on 19 January 2011) and, SAH's acquisition, Chapter 1's portfolio (on 23 March 2017) were brought into account at valuation, performed by independent chartered surveyors on an existing use social housing (EUV-SH) basis. All other properties are reflected at cost.

The property disposals line above includes discontinued SAH services.

PARENT	Freehold £000	Leasehold £000	Total £000
Cost or valuation			
Balance at 1 April 2024	104,483	568	105,051
Schemes completed during the year	59	-	59
	<u>104,542</u>	<u>568</u>	<u>105,110</u>
Less: disposals	(427)	-	(427)
Balance as at 31 March 2025	<u>104,115</u>	<u>568</u>	<u>104,683</u>
Accumulated depreciation			
Balance at 1 April 2024	38,070	146	38,216
Charge for the year	2,156	14	2,170
Less: disposals	(238)	-	(238)
Balance as at 31 March 2025	<u>39,988</u>	<u>160</u>	<u>40,148</u>
Net book value at 31 March 2025	<u>64,127</u>	<u>408</u>	<u>64,535</u>
 Net book value at 31 March 2024	<u>66,413</u>	<u>422</u>	<u>66,835</u>

All properties are used for charitable purposes. The market values of these properties are significantly higher than their book values but the costs of estimating these exceed any benefits accruing.

The Salvation Army, in common with other churches, provides ministers of religion (officers) and retired ministers of religion with accommodation and holds a portfolio of properties to allow it to do so. Occasionally properties are not required immediately to provide accommodation to officers and retired officers and these, where possible, are let on short-term tenancies until required to accommodate officers. The Salvation Army does not consider these properties to be investment properties as their availability for use, other than for the work of the charity, is typically of limited duration.

14. PROPERTY SCHEMES IN PROGRESS

	Group 2025 £000	Parent 2025 £000
Balance at 1 April 2024	1,520	1,443
Additions during the year	<u>1,024</u>	<u>171</u>
	2,544	1,614
Property schemes completed during the year	(59)	(59)
Property scheme's expenditure written off	<u>(1,404)</u>	<u>(1,404)</u>
Balance as at 31 March 2025	<u>1,081</u>	<u>151</u>

15. MOTOR VEHICLES AND EQUIPMENT

GROUP	Motor Vehicles £000	Equipment £000	Total £000
Cost			
Balance at 1 April 2024	1,458	3,235	4,693
Additions during the year	460	278	738
Disposals	-	(2)	(2)
Balance as at 31 March 2025	1,918	3,511	5,429
Accumulated depreciation			
Balance as at 1 April 2024	1,370	1,882	3,252
Charge for the year	49	280	329
Less: disposals	-	(2)	(2)
Balance as at 31 March 2025	1,419	2,160	3,579
Net book value at 31 March 2025	499	1,351	1,850
Net book value at 31 March 2024	88	1,353	1,441
PARENT	Motor Vehicles £000	Equipment £000	Total £000
Cost			
Balance at 1 April 2024	1,415	-	1,415
Additions during the year	460	-	460
Balance as at 31 March 2025	1,875	-	1,875
Accumulated depreciation			
Balance as at 1 April 2024	1,327	-	1,327
Charge for the year	48	-	48
Balance as at 31 March 2025	1,375	-	1,375
Net book value at 31 March 2025	500	-	500
Net book value at 31 March 2024	88	-	88

16. INVESTMENTS

FIXED ASSET INVESTMENTS

GROUP AND PARENT	Unlisted £000	Units in CIF1 £000	Units in CIF2 £000	Total £000
Cost/market value at 1 April 2024	5	4,459	143,701	148,165
Unrealised (losses) on Investments	-	(170)	(2,015)	(2,185)
Cost/market value as at 31 March 2025	5	4,289	141,686	145,980

At 31 March 2025, units held in The Salvation Army Common Investment Fund No 1 had a unit value of £3.2423 (2024: £3.3037).

At 31 March 2025, units held in The Salvation Army Common Investment Fund No 2 had a unit value of £4.1775 (2024: £4.2358).

Salvation Army Social Work Trust holds one £1 share and has the power to control Salvation Army Homes (SAH). The Salvation Army Homes is registered with the Co-operative and Community Benefit Societies Act 2014 and is a registered social landlord regulated by The Regulator of Social Housing. SAH itself owns the whole of the issued share capital of Kingsown Limited and SAH Developments Limited, companies incorporated in England. The results and net assets of SAH, Kingsown and SAH Developments have been consolidated within these accounts.

INVESTMENT PROPERTIES

	Group		Parent	
	2025 £000	2024 £000	2025 £000	2024 £000
Market value at 1 April 2024	51,156	47,954	14,656	14,454
(Disposals) during the year	(36,500)	-	-	-
Property revaluation adjustment - increase in value	1,165	3,202	1,165	202
Market value as at 31 March 2025	15,821	51,156	15,821	14,656
Fixed assets investments (from above)	145,980	148,165	145,980	148,165
Total Investments	161,801	199,321	161,801	162,821

The Group's property portfolio is reviewed annually to identify investment properties, which are those properties held to earn income or for capital appreciation rather than to be used for its charitable purposes. Properties no longer used for charitable purposes but retained until market conditions allow their disposal are not treated as investment properties, provided disposal is intended within a three-year window.

After initial recognition, investment property is measured at its fair value. The fair value of the investment property is determined by members of staff with relevant experience and qualifications. For residential properties, the desktop valuation is based on comparable properties in the local area. The data is collected from property portal sites like Rightmove and Zoopla and supported by data of sold and completed properties from HM Land Registry. A valuation by an independent valuer was not performed.

17. DEBTORS

	Group		Parent	
	2025 £000	2024 £000	2025 £000	2024 £000
Accommodation charges outstanding	3,990	2,812	2,460	1,851
Trade debtors	1,722	10,243	1,722	10,244
Prepayments and other accrued income	10,249	11,515	9,279	10,988
Connected Salvation Army Trust and companies	13,762	58,372	13,762	58,372
Other debtors	2,177	4,372	-	3,203
	31,900	87,314	27,223	84,658

Included in Connected Salvation Army Trust and companies last year was £35m bank deposit held on behalf of Social Work Trust.

18. (a) CREDITORS: Amounts falling due within one year

	Group		Parent	
	2025 £000	2024 £000	2025 £000	2024 £000
Trade creditors	9,462	12,532	4,387	9,476
Accruals and deferred income	11,860	11,891	6,874	7,745
Other creditors	7,876	11,447	7,675	8,219
Tax and social security	2,475	2,135	2,462	2,045
Connected Salvation Army Trust and Companies	1,045	913	1,045	913
Amounts owed to group and associated undertakings	-	-	-	3,211
Bank loans repayable within one year (Note 18(b))	109	4,825	-	-
	32,827	43,743	22,443	31,609

*** Deferred Income**

	Group 2025 £000	Parent 2025 £000
Balance at 1 April 2024	2,444	285
Additions during the year	3,160	16
	<u>5,604</u>	<u>301</u>
Released during the year	(1,769)	(285)
Balance at 31 March 2025	<u>3,835</u>	<u>16</u>

£3.82m deferred income relates to SAH rental income received in advance.

18. (b) CREDITORS: Amounts falling due after more than one year

	Group		Parent	
	2025 £000	2024 £000	2025 £000	2024 £000
Loans repayable between one and two years	110	1,330	-	-
Loans repayable between two to five years	328	4,255	-	-
Over five years	4,363	10,214	-	-
	<u>4,801</u>	<u>15,799</u>	<u>-</u>	<u>-</u>

Housing loans from private sources are secured by charges on SAH-specific housing properties and are repayable between 2025 and 2065 at varying rates of interest between 3.00% and 6.50% (2024: 4.10% and 7.75%). The net book value of these properties at 31 March 2025 is £4.97m (2024: £28.2m).

19. OPERATING LEASE COMMITMENTS

The Group has future minimum lease commitments under non-cancellable operating leases of:

	2025 £000	2024 £000
Land and buildings:		
Within one year	342	63
One to five years	213	47
Over five years	7	15
	<u>562</u>	<u>125</u>
	2025 £000	2024 £000
Other operating leases:		
Within one year	240	247
One to five years	450	642
Over five years	9	20
	<u>699</u>	<u>909</u>

The other operating leases category relates solely to SAH. Lease payments of £430k (2024: £369k) were charged to the Consolidated Statement of Financial Activities during the year.

20. OPERATING LEASE - CONTRACTED INCOME

The Group and Parent have future minimum lease income due under non-cancellable operating leases of:

	Group		Parent	
	2025 £000	2024 £000	2025 £000	2024 £000
Land and buildings:				
Within one year	43	55	43	55
One to five years	138	157	138	157
Over five years	216	241	216	241
	<u>397</u>	<u>453</u>	<u>397</u>	<u>453</u>

Lease income of £497k (2024: £677k) was recognised in the Consolidated Statement of Financial Activities during the year.

21. ENDOWMENTS

GROUP AND PARENT

	Balance 1 April 2024 £000	New Funds Received £000	Changes in Market Value of Investments £000	Balance 31 March 2025 £000
Expendable endowment				
Xenia Field Capital Fund	<u>16,863</u>	<u>-</u>	<u>(235)</u>	<u>16,628</u>
Permanent endowments				
H.M. Brant	20	-	-	20
J.B. Crighton	156	-	(7)	149
Miss M.B. Hill	35	-	-	35
C.J. and E.J. Melbourne	79	-	-	79
Blackmore Mission	1	-	-	1
M.J. Fowler	16	-	-	16
R. Pattison	14	-	-	14
Leeds Guardian Homes Trust	16	-	(1)	15
E.S. Brant Trust	1,571	-	(60)	1,511
Birmingham Girls Trust	239	-	(9)	230
	<u>2,147</u>	<u>-</u>	<u>(77)</u>	<u>2,070</u>
	<u>19,010</u>	<u>-</u>	<u>(312)</u>	<u>18,698</u>

The Expendable Endowment represents the Xenia Field Fund. Whilst the capital and income of the Fund can be expended on social work projects, it is the Trustee's intention that the capital be maintained.

Permanent Endowment funds represent bequests and donations, the capital of which cannot be expended but any income can be applied to social work projects without restriction.

The E.S. Brant Trust was established by a trust deed dated 16 June 1965. The annual income can be applied to the social work of The Salvation Army.

The Birmingham Girls Trust consists of endowment funds transferred from Birmingham City Council, the income on which can be applied for the benefit of girls in distress in the Birmingham area.

All endowment funds are represented by investments in The Salvation Army's Common Investment Funds.

Comparative

GROUP AND PARENT	Balance 1 April 2023 £000	New Funds Received £000	Changes in Market Value of Investments £000	Transfers £000	Balance 31 March 2024 £000
Expendable endowment					
Xenia Field Capital Fund	14,950	-	1,913	-	16,863
Permanent endowments					
H.M. Brant	20	-	-	-	20
J.B. Crighton	134	-	22	-	156
Miss M.B. Hill	35	-	-	-	35
C.J. and E.J. Melbourne	79	-	-	-	79
Blackmore Mission	1	-	-	-	1
M.J. Fowler	16	-	-	-	16
R. Pattison	14	-	-	-	14
Leeds Guardian Homes Trust	15	-	1	-	16
E.S. Brant Trust	1,354	-	217	-	1,571
Birmingham Girls Trust	207	-	32	-	239
	1,875	-	272	-	2,147
	16,825	-	2,185	-	19,010

22. RESTRICTED FUNDS

	Balance 1 April 2024	Income	Expenditure	Other recognised gains/(losses)	Transfers From/(to) Unrestricted Reserves	Balance 31 March 2025
	£000	£000	£000	£000	£000	£000
Social Work Fund	80,296	418	(3,187)	-	9,324	86,851
Other restricted funds						
Social Work Projects Including Property Funding	30,202	1,769	(2,006)	(85)	97	29,978
Centre specific donations	6,755	1,435	(1,507)	-	-	6,683
Bramwell Arthur William Goodwin	3,233	-	(165)	-	-	3,068
SAH operations - property purposes	130,833	27,630	(31,718)	265	5,420	132,430
	171,023	30,835	(35,396)	180	5,517	172,159
	251,319	31,253	(38,583)	180	14,841	259,010

Other Restricted Funds represents unexpended balances of donations and legacies held on trust which can only be expended in accordance with the specific terms laid down by the donors.

Social Work Fund represents sums already expended on the properties used by The Salvation Army in its social work throughout the United Kingdom.

The Centre specific donations fund represents amounts that have been donated for specific care home activities, either for single or multiyear purposes. This reserve is applied to all cost centres; some of course are more active than the others. It also manages several projects per cost centre at a time.

Bramwell Arthur William Goodwin is a legacy donation to benefit the disabled and blind within the Salvation Army Care Homes in England.

All SAH funds are treated as restricted in the group's accounts as these funds are limited to the operations of SAH rather than the wider work of the Social Work Trust. Transfers between funds arise from the sale or purchase of property or the approval of funding for property schemes in progress which are transferred between unrestricted and restricted funds.

Comparative

GROUP

	Balance 1 April 2023 £000	Income £000	Expenditure £000	Other recognised gains/(losses) £000	Transfers From/(to) Unrestricted Reserves £000	Balance 31 March 2024 £000
Social Work Fund	75,920	1,212	(4,932)	-	8,096	80,296
Other restricted funds						
Social Work projects including property funding	28,962	1,689	(421)	306	(334)	30,202
Centre specific donations	6,534	1,025	(546)	-	(258)	6,755
Bramwell Arthur William Goodwin	3,233	-	-	-	-	3,233
SAH operations - property purposes	129,352	25,287	(26,305)	2,499	-	130,833
	168,081	28,001	(27,272)	2,805	(592)	171,023
	244,001	29,213	(32,204)	2,805	7,504	251,319

23. UNRESTRICTED FUNDS

GROUP AND PARENT

	Balance 1 April 2024	Income	Expenditure	Other recognised gains/(losses)	Transfers From/(to) Unrestricted Reserves	Balance 31 March 2025
	£000	£000	£000	£000	£000	£000
General reserves	20,731	207,715	(195,125)	-	(10,882)	22,439
Unrealised investment gains	100,169	-	-	(623)	(1,118)	98,428
	120,900	207,715	(195,125)	(623)	(12,000)	120,867
Designated reserves						
Property purposes	47,227	755	(1,327)	-	(1,495)	45,160
Vehicles	1,497	4	-	-	(1,346)	155
Social Work projects	3,067	-	-	-	-	3,067
	51,791	759	(1,327)	-	(2,841)	48,382
	172,691	208,474	(196,452)	(623)	(14,841)	169,249

The General Reserve is required to fund the day-to-day needs of The Salvation Army Social Work Trust. The Unrealised Investment Gains Reserve is held to separate unrecognised gains still subject to market risk.

Unrestricted Funds include designated reserves which have been set aside by the Trustee for specific purposes. Designated funds are kept under review by SATCO to ensure their purpose remains in the medium term.

- Property purposes: the reserve includes Property Sold Reserve where money is set aside to spend on future property projects determined by the directors, and the Major Component Replacements Reserve which holds funds required for upcoming major spends.
- Vehicles: the reserve holds the value of vehicles to acknowledge the future spend required to maintain the fleet. These funds are currently being reviewed.
- Social Work projects: these reserves hold funds required for specific programmes and initiatives directed by the board. Historically these funds are not utilised on an annual basis and the use is currently being reviewed.

Comparative

GROUP AND PARENT

	Balance 1 April 2023 £000	Income £000	Expenditure £000	Other recognised gains/(losses) £000	Transfers from/(to) Restricted Reserves £000	Balance 31 March 2024 £000
General reserves	15,489	210,550	(199,359)	-	(5,949)	20,731
Unrealised investment gains	85,493	-	-	14,676	-	100,169
	100,982	210,550	(199,359)	14,676	(5,949)	120,900
Designated reserves						
Property purposes	48,593	197	(8)	-	(1,555)	47,227
Vehicles	1,497	-	-	-	-	1,497
Social work projects	3,067	-	-	-	-	3,067
	53,157	197	(8)	-	(1,555)	51,791
	154,139	210,747	(199,367)	14,676	(7,504)	172,691

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund Balances as at 31 March 2025 are represented by:

GROUP

	Endowment Funds £000	Social Work Fund £000	Other Restricted Reserves £000	Unrestricted Reserves £000	Total £000
Fixed assets					
Properties	-	64,535	117,077	-	181,612
Property schemes in progress	-	151	930	-	1,081
Motor vehicles and equipment	-	-	1,350	500	1,850
Investments	18,698	-	-	143,103	161,801
Current assets	-	21,940	70,005	48,314	140,259
Current liabilities	-	225	(10,384)	(22,668)	(32,827)
Long-term bank loans	-	-	(4,801)	-	(4,801)
Defined benefit pension liabilities	-	-	(2,018)	-	(2,018)
Total net assets	18,698	86,851	172,159	169,249	446,957

Fund Balances at 31 March 2024 are represented by:

GROUP

	Endowment Funds £000	Social Work Fund £000	Other Restricted Funds £000	Un- restricted Reserves £000	Total £000
Fixed assets					
Properties	-	66,835	116,893	-	183,728
Property schemes in progress	-	1,443	77	-	1,520
Motor vehicles and equipment	-	-	1,353	88	1,441
Investments	19,010	-	36,500	143,811	199,321
Current assets	-	12,322	46,994	60,097	119,413
Current liabilities	-	(304)	(12,134)	(31,305)	(43,743)
Long-term bank loans	-	-	(15,799)	-	(15,799)
Defined benefit pension liabilities	-	-	(2,861)	-	(2,861)
Total net assets	19,010	80,296	171,023	172,691	443,020

25. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES

	2025 £000	2024 £000
Net movement in funds	3,937	28,055
Unrealised loss/(gain) on investments	1,020	(20,130)
Realised (gain)/loss on disposal of properties	1,128	1,098
Depreciation of motor vehicles and equipment	329	275
Depreciation of properties	5,382	5,579
Investment and rental income	(4,650)	(3,431)
(Increase)/decrease in stocks	(5)	2
Decrease/(increase) in debtors	55,414	(58,968)
Property schemes in progress written off	1,404	4,761
Increase in creditors	(6,200)	8,707
(Decrease)/increase in defined benefit pension scheme liability	(843)	10
Interest payable	1,091	1,371
Net inflow/(outflow) from operating activities	58,007	(32,671)

26. CAPITAL COMMITMENTS

At the balance sheet date, commitments in relation to the construction or refurbishment of property amounted to £2.5m (2024: £3.4m). Of this amount £2.5m related to SAH (2024: £2.1m).

27. RELATED PARTY TRANSACTIONS

The Salvation Army Trust (registration number 214779) is a linked charity of the Social Work Trust by nature of the sole trustee in common, both trusts together representing the work of The Salvation Army across the UK.

During the current year, grants totalling £26.3m (2024: £29.7m) were received from The Salvation Army Trust. An overhead recharge of £11.8m (2024: £10.8m) was charged from The Salvation Army Trust during the year, representing the Social Work Trust's share of central overhead costs which were incurred by The Salvation Army Trust. The full amount of the overhead recharge of, £11.8m (2024: £10.8m) was outstanding at year end. In addition, recharges of £76k (2024: £105k) were charged to The Salvation Army Social Work Trust for hire of rooms at corps premises.

The Salvation Army General Insurance Corporation Ltd (SAGIC) (registered no 101071) a subsidiary of connected party the Salvation Army Trust, provided insurance services of £1.2m (2024: £1.1m) to the Social Work Trust. Similarly connected SAT subsidiary SATCoL (Salvation Army Trading Company - registered no 02605817) provided publications and periodicals to the value of £37K (2024: £43K).

The Salvation Army Social Work Trust holds one £1 share and has the power to control The Salvation Army Homes (SAH). The Salvation Army Homes is registered with the Co-operative and Community Benefit Societies Act 2014 and is a registered social landlord regulated by The Regulator of Social Housing. SAH itself owns the whole of the issued share capital of Kingsown Limited and SAH Developments Limited, companies incorporated in England. The results and net assets of SAH, Kingsown and SAH Developments have been consolidated within these accounts. The following costs have been charged to the Social Work Trust during the year; Bed spaces recharged from SAH to the Social Work Trust during the current year totalling £7.8m (2024: £7.4m); 5% margin arose from the bed space recharged totalling £391k (2024: £342k); Other costs incurred on behalf of Social Work Trust £387k (2024: £508k); out of these £305k (2024: £1.4m) is outstanding at year end.

The Salvation Army Homes received a loan of £565K from the Salvation Army Trust, a connected party.

SAH took out a loan of £315,000 with Reliance Bank Limited in the financial year ended 31 March 2011, and £2,200,000 in the financial year ended 31 March 2014, and a further loan of £150,000 in the financial year ended 31 March 2015- a wholly owned bank by The Salvation Army International Trustee Company (SAITCo).

The Association made the following payments during the year to Reliance Bank Limited:

Capital repayments	£109,000
Interest payments	£98,000

The total outstanding balance of the loan as at 31 March 2025 was £1,385,000 (2024: £1,494,774). The long-term loan was granted to the Association on normal commercial terms, including Salvation Army Homes providing appropriate security to satisfy the conditions of the loan.

During the year, SAH paid £426,000 (2024: £302,123) for the property and liability insurance to SAGIC Limited, Social Work Trust paid £1.2m (2024: £1m) for the insurance to SAGIC Limited. SAGIC Limited is a company wholly owned by The Salvation Army Trust.

In addition to the entities listed above, transactions occurred during the year with individuals who are Key Management Personnel, or their families. These transactions are described in Note 10 to the financial statements.

28. CONTINGENT LIABILITY

Salvation Army Homes is the leaseholder for several properties where the Social Work Trust are the freeholder. In the event of a lease surrender, a contingent liability would occur for repayment of grant to Homes England or the Greater London Authority. A Lease Surrender Agreement between both parties ensures that in this event, an offsetting contingent asset would exist.

29. SUBSEQUENT EVENTS

Subsequent to the year end, the Trustees have decided to reimagine the support we provide to older people. This will entail withdrawing from residential care homes and instead developing a range of support services within local communities, particularly in those areas where a Salvation Army church is present. Services, as appropriate for individual communities, such as Parish Nursing, Dementia Support groups and specialist programmes for additionally disadvantaged older people such as those who are socially isolated due to location or access needs or those who are digitally excluded. Where possible the current residential homes will be sold to other providers as a “going concern” so that the care of individuals is uninterrupted.

30. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY FOR THE YEAR ENDED 31 MARCH 2024

	ENDOWMENT £000	RESTRICTED £000	UNRESTRICTED £000	2024 Total £000
INCOME AND ENDOWMENTS				
Donations and legacies				
Grants receivable: Central Trust	-	-	29,698	29,698
Donations	-	796	623	1,419
Legacies	-	1,358	-	1,358
	-	2,154	30,321	32,475
Charitable activities				
Centres' operations	-	281	90,470	90,751
Other social operations	-	91	86,785	86,876
Housing association turnover	-	27,525	-	27,525
	-	27,897	177,255	205,152
Investments	-	260	3,171	3,431
(Losses) on disposal of fixed assets	-	(1,098)	-	(1,098)
TOTAL INCOME	-	29,213	210,747	239,960
EXPENDITURE				
Raising funds				
Investment management costs	-	-	50	50
	-	-	50	50
Charitable activities				
Centres' operations	-	5,723	108,665	114,388
Other social operations	-	176	90,652	90,828
Housing association operating costs	-	26,305	-	26,305
	-	32,204	199,317	231,521
TOTAL EXPENDITURE	-	32,204	199,367	231,571
Net gains on investments	2,185	3,306	14,676	20,167
Net income	2,185	315	26,056	28,556
Transfers between funds	-	7,504	(7,504)	-
Actuarial (losses) on defined benefit pension schemes	-	(501)	-	(501)
Net movement in funds	2,185	7,318	18,552	28,055
RECONCILIATION OF FUNDS				
Total funds brought forward	16,825	244,001	154,139	414,965
Total funds carried forward	19,010	251,319	172,691	443,020

THE SALVATION ARMY SOCIAL WORK TRUST

England & Wales - Charity number 215174

Accounts

**THE SALVATION ARMY
UNITED KINGDOM AND IRELAND TERRITORY**

**THE SALVATION ARMY SOCIAL WORK TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE UNITED KINGDOM IN THE YEAR ENDED
31 MARCH 2024**

**CHARITY REGISTRATION NO: 215174
SCOTTISH CHARITY REGISTRATION NO: SC037691**

Principal Office
Territorial Headquarters: 1 Champion Park, London, SE5 8FJ
www.salvationarmy.org.uk

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INTRODUCTION FROM THE TERRITORIAL LEADERS

Commissioner Paul Main and Commissioner Jenine Main

We are delighted to introduce our very first Annual Report and Accounts, as Territorial Leaders of The Salvation Army in the United Kingdom and Ireland. With over 38 years of service as Salvation Army Officers, we can attest to God's faithfulness in our own lives and in the life of our movement. This year has been no exception. Since we took up our appointments on 1 January 2024, we have witnessed afresh God's life-transforming grace in communities right across the United Kingdom, Ireland, the Channel Islands, and the Isle of Man.

We are hopeful that as you read this Annual Report, you will be inspired, as we are, by the remarkable stories of transformation. Our incredible officers, employees, members, and volunteers have yet again stepped up and demonstrated their love for God and neighbour through their generous acts of service to all, without discrimination. We are grateful for every one of them.

There have, of course, been challenges along the way. As the cost of living has continued to grow, it has placed enormous strain on many of those living in the communities in which we serve. Our 588 local corps (churches) have experienced even greater numbers of people seeking assistance, and our residential centres have been required to support people with increasingly complex needs. As you will read in the Report, our personnel have met the challenge with a sense of compassion, boldness, and respect. Whilst not everyone who serves with us is a Christian, it is true to say that together we embody the example Jesus set for us in putting the needs of others before our own.

We would like to thank the many people who have financially supported our work. Even amidst such challenging economic times, our donors have shown extraordinary generosity. Their contribution has enabled us to reach out in new and effective ways, touching the lives of the most marginalised, and offering a helping hand to many people who have needed our support for the first-time. We value every donation and have been determined to put them to beneficial use.

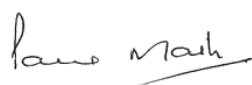
One of our favourite Bible verses is in the Old Testament book of Micah:

'And what does the Lord require of you?
To act justly and to love mercy
and to walk humbly with your God.'

(Micah 6:8 New International Version)

You will find the outworking of these words woven throughout this account of our work. We, therefore, commend this Report to you. Be encouraged and inspired by the work The Salvation Army continues to do, wherever we are.

Thank you for your help and support, and may God bless you.



Commissioner Paul Main
Territorial Commander of The Salvation Army in the United Kingdom and Ireland

THE OBJECTIVES OF THE SALVATION ARMY SOCIAL WORK TRUST

Promoting the charitable work of The Salvation Army in such one or more of the following ways as The Salvation Army Trustee Company shall think fit, namely:

- the relief of poverty, sickness, suffering, distress, incapacity, or old age
- the advancement of education
- training in Christian and moral principles
- the assistance of those in need of protection

OUR VISION, MISSION AND VALUES

Our Vision, our Values and our five Mission Priorities inspire and guide all the work we do as a church and as a charity.

Whilst The Salvation Army operates through two main charitable trust registrations, (see below, page 7) we have one unifying Vision statement, Mission Priorities and Values that guide us in all we do.

We have simplified and refreshed our Vision, Mission, and Values statements to reaffirm our sense of purpose and direction for The Salvation Army in the United Kingdom, Ireland, the Channel Islands, and the Isle of Man. Since their creation and adoption and across the year under review, the new statements have been deployed extensively across the territory. The aim is that every expression of The Salvation Army, our corps (churches) and community centres and residential centres all seek to deliver the same five Mission Priorities to strive to deliver the one overall Vision Statement. Their simplicity and boldness mean that all areas of the diverse work of The Salvation Army can be both anchored and inspired by them.

Our Vision Statement:

Our Vision:
Fullness of life
for *all* with Jesus

This is 'Our Vision' for every part of The Salvation Army. It is inspired by the words of Jesus: '*I have come that they may have life and have it to the full*' (John 10:10 NIV).

No words can adequately capture the vision of boundless salvation that God intends for the world and everything in it. However, 'Fullness of life for all with Jesus' includes every aspect of Salvation Army life. We believe everyone can enjoy fullness of life with Jesus. It is aspirational - we are not there yet - but this is what we strive towards.

Our Five Mission Priorities:

Our Mission:

To *share* the good news

To *serve* others without discrimination

To *nurture* disciples of Jesus

To *care* for creation

To *seek* justice and reconciliation

Our Mission is built on five priorities which are the drivers for all we do, how we do it and why we do it, across the entire organisation.

These short phrases communicate immense challenge, ambition, and direction. When these priorities are present, The Salvation Army is working towards our vision of 'Fullness of life for all with Jesus.'

Each of the five priorities of Our Mission is rich in meaning and helps us explain to 21st-century society why the Christian message and the work of The Salvation Army is relevant and desperately needed in our communities and nations.

They are not arranged hierarchically but overlap and mutually support each other.

- **SHARE THE GOOD NEWS:** At the heart of The Salvation Army's mission is a passion to proclaim the good news of Jesus Christ far and wide. This is not an optional extra. The Salvation Army only does what it does because our inspiration and vision come from people's ongoing relationship with Jesus. We know the difference our relationship with God makes in our lives and we don't want anyone to miss out.
- **SERVE OTHERS WITHOUT DISCRIMINATION:** The Salvation Army responds to people without discrimination. God calls us to be with the people we serve. In 'being with' people - as against 'doing for' people - together we find solutions and make progress because we are all made in the image of God. We are called to share love in a too often loveless world. 'Love God, Love Others' inspires every aspect of our work.
- **NURTURE DISCIPLES OF JESUS:** The future of The Salvation Army depends on nurturing current and future generations of Christian disciples who, filled with the Holy Spirit, share the good news of Jesus, resulting in more disciples. Like athletes, Christian disciples need to practise staying fit for God's demanding mission. Habits such as prayer, Bible reading, corporate worship, music, tithing and helping others are vital. The Salvation Army believes being a disciple of Jesus and experiencing the blessing of holiness is the way to experience fullness of life.
- **CARE FOR CREATION:** The Salvation Army is committed to helping change attitudes, resulting in a more responsible use of our planet. We seek to provide practical care and advocacy for people affected by damage to the environment. People will not experience fullness of life unless God's creation is protected and cared for.
- **SEEK JUSTICE AND RECONCILIATION:** People can experience a fuller life on earth. God longs for justice for all people. Therefore, The Salvation Army has always spoken out against injustice. We fight not simply the effects of injustice but also the systems and structures that enable injustice. Seeking reconciliation is also an essential part of The Salvation Army's vision of the

good life. Peace and fullness of life is possible when justice and reconciliation are priorities in the lives of individuals, communities, and nations. The Salvation Army is committed to work in partnership for these ends.

Our Values

- Boldness
- Compassion
- Passion
- Respect
- Integrity
- Mutual accountability

Our Values are for everyone involved in The Salvation Army and should be reflected in our behaviour and result in good relationships and increased wellbeing and help us integrate what we do with how we do it.

The basic standard of Christian behaviour, derived from our understanding of the character and action of God, is love, so we need continually to be drawn back to understand how God is asking us to live and work together to help us be faithful to our calling to be God's people.

- **Boldness:** We will courageously and confidently share the good news, seek justice and reconciliation, nurture disciples of Jesus, serve others without discrimination, and care for creation.
- **Compassion:** We will serve with the unconditional love and grace of God as the pattern for our behaviour.
- **Passion:** We will bring our best selves, our God-given energies, and convictions, to our work, service, and learning, whether as officers, members, employees, or volunteers.
- **Respect:** We will receive each person with the dignity of those created in the image of God, while seeking the transformation God provides.
- **Integrity:** We will be honest and transparent in all our dealings with each other and those we serve, being open about our motives and agendas.
- **Mutual accountability:** We will willingly and freely give full account for our actions to those we interact with and expect the same in return.

Our Statement of Commitment:

We have one simple statement to explain why we are here, which frames all we are and all we do as a church and charity. Four words achieve this:

'Love God, Love Others'

This is based on Jesus' greatest commandment in Matthew 22:37-39 to 'Love the Lord your God' and to 'love your neighbour as yourself'. 'Love God, Love Others' underpins, inspires, and motivates everything we do, in every part of The Salvation Army.

Since its adoption a few years ago, this statement has been widely used across The Salvation Army in communications, on corporate publications, on our websites and on email footers as a powerfully simple 'explainer' of what we are here to do and how we strive to deliver our vision.

EXPLAINING OUR STRATEGY, STRUCTURE AND OPERATION

Our two principal charitable registrations:

The Salvation Army operates through two principal charitable trusts: The Salvation Army Social Work Trust (this Report) and The Salvation Army Trust.

This Report and Accounts outlines the work of **The Salvation Army Social Work Trust (Charity Registration number 215174)**, which is the charity registration through which we manage our extensive residential and regulated programmes of work for homeless people, care homes for older people, residential detox centres, family centres, refuges for victims of domestic violence, safe houses and services for the victims and survivors of modern slavery and human trafficking, and our Employment Plus services. Some of these services, whilst centrally managed, are run at corps (church) and community centres and complement the other locally based services, for example employment programmes, debt advice and emergency response services.

These services are managed in a top-down model due to the vulnerability of the people needing help and because of statutory regulations and contract requirements. Much of the funding for The Salvation Army Social Work Trust derives from government and local authority contracts and additional supplementary funding comes from The Salvation Army Trust.

However, the work of The Salvation Army Social Work Trust does not represent the entirety of The Salvation Army's work in the UK. Alongside our centrally managed and coordinated services that this Report covers, we run extensive programmes of engagement and support which are delivered through our 588 local corps (churches) and our community centres. Much of the funding for the work of The Salvation Army Trust derives from public donations, legacies, trading activities and church members. Whilst this is still the 'work' of The Salvation Army, the finances of these operations are managed and reported on through a separate charity registration, **The Salvation Army Trust (Charity Registration number 214779)** which has its own Report and Accounts and form a 'sister' publication to this one.

Together both Trusts reflect the life and work of The Salvation Army as a whole and exist to enable effective management and accountability for the two main ways in which we work.

Our organisation

The Salvation Army was founded in 1865 by William and Catherine Booth and currently operates in more than 130 territories. The world leadership of The Salvation Army is provided by The General of The Salvation Army.

The General is assisted by officers and staff based at International Headquarters in London. The current General is Lyndon Buckingham who was elected in May 2023.

The United Kingdom and Ireland Territory is under the command of a Territorial Commander, appointed by The General and responsible to him/her for the day-to-day administration of Salvation Army work throughout the British Isles, including the Channel Islands, the Isle of Man and the Republic of Ireland. Commissioners Paul and Jenine Main are the leaders of The Salvation Army in the UK and Republic of Ireland, having been appointed in January 2024, succeeding Anthony and Gillian Cotterill, who retired in December 2023.

The Salvation Army in the UK is an integrated, yet diverse, organisation that contributes to the betterment of society in the service of God and people. Legally the activity is structured under two main trusts. These are:

- The Salvation Army Trust (Charity Registration No. 214779 in England and Wales, and SC009359 in Scotland)
- The Salvation Army Social Work Trust (Charity Registration No. 215174 in England and Wales, and SC037691 in Scotland)

Therefore, we publish two separate reports and accounts. This document is the Annual Report and Accounts for The Salvation Army Social Work Trust. Together both Trusts reflect the life and work of The Salvation Army as a whole and exist to enable effective management and accountability for the two main ways in which we work.

Further information on our legal structures and our governance is included later in this Report.

Summary of what The Salvation Army Social Work Trust does

- We provide single people and families who are experiencing homelessness and people suffering from addictions with high-quality residential accommodation, care, and support, encouraging their ability to live independent and positive lives.
- We provide vulnerable older people, particularly those with limited resources, with residential care which recognises individuality and the spiritual dimension to life.
- We provide unemployed people, including those in our residential homelessness centres, with back-to-work schemes through Employment Plus.
- We provide survivors and potential victims of modern slavery specialist support which includes transport, a safe place to stay and outreach support, as well as community integration as they continue their journey of recovery and rebuilding their lives.
- We reunite families who have lost contact and help to bring about happy reunions.
- We support the emergency services at major incidents, providing refreshments for staff and help to victims.
- We work in partnership with local authorities and other agencies where relevant to provide the best outcomes for our service users.
- We speak with national and local government to influence policy on issues affecting our service users.
- We strive to achieve our vision of ‘fullness of life for all with Jesus’ in everything we do through five Mission Priorities: share the good news, serve others without discrimination, nurture disciples of Jesus, care for creation, seek justice and reconciliation. Operationally we are prioritising transformation, integration and streamlining to increase our effectiveness and impact.

The scale of the work of The Salvation Army Social Work Trust in the UK

12 Care Homes for Older People

Belfast:	The Sir Samuel Kelly Memorial Home (accommodation 56)
Buxton:	The Hawthorns (acc 27)
Coventry:	Youell Court (acc 40)
Edinburgh:	Davidson House (acc 40), Eagle Lodge (acc 35)
Hassocks:	Villa Adastra (acc 40)
London:	Glebe Court, Lewisham (acc 36)

North Walsham: Furze Hill House (acc 40)
Prestwich: Holt House (acc 31)
Sandridge: Lyndon (acc 32)
Southend-On-Sea: Bradbury Home (acc 34)
Weston-super-Mare: Dewdown House (acc 40)

8 Centres for Families (Residential)

Belfast: Glen Alva (accommodates family units 20, max 77 residents)
Belfast: Grosvenor House (acc family units 19, max 76 residents)
Belfast: Thorndale Parenting Assessment (7 family units)
Belfast: Thorndale Family Centre (acc family units 35, single bedsits 3, max 125 residents)
Fleetwood: George Williams House (acc family units 9, max 36 residents)
Portsmouth: Catherine Booth House (acc family units 21, max 40 residents)
Portsmouth: St Paul's House (acc family units 21, max 84 residents)
Portsmouth: St Monica's House (acc family units 10, max 40 residents)

2 Centres for People with Learning Disabilities

Kilbirnie: George Steven Centre
Liverpool: Strawberry Field

Centre for Employment and Training

Hadleigh: Hadleigh Farm Estate

4 Centres for Single Homeless Young People

Accrington: Crossroads (accommodates 11)
Cardiff: Northlands (acc 26)
Fleetwood: George Williams House (acc 6)
London: Springfield Lodge (acc 40)

4 Homelessness Day Care / Drop-In

Bradford: Day Centre
Edinburgh: Niddry Street
London: No 10 Project
Norwich: Pottergate Arc

3 Housing First Programmes

Cardiff
Glasgow
Merthyr Tydfil

10 Non-Residential Homelessness Services

Aberdeenshire Floating Support
Cardiff Floating Support and outreach services
Early Intervention Project - York
Inverness Floating Support
Greenock Floating Support
Southwark Floating Support
North West Refugee Floating Support
Denbighshire Temporary Emergency Accommodation Support
Booth House Swindon - Floating Support
Newport Outreach Services

47 Centres for Single Homeless (Adults)

Belfast: Centenary House (accommodates 89) and Calder Fountain (acc 12)
Birmingham: William Booth Centre (acc 74)

Blackburn: Bramwell House (acc 55)
 Bradford: The Orchard (acc 42)
 Braintree: New Direction Centre (acc 14)
 Bristol: Logos House (acc 83)
 Cardiff: Tŷ Gobaith (acc 70)
 Coventry: Harnall (acc 100), Axholme House (acc 32)
 Dundee: Strathmore Lodge (acc 25), Burnside Mill (acc 20)
 Edinburgh: The Pleasance (acc 38)
 Glasgow: Eva Burrows 1st Stop Project (acc 32), Hamilton Housing First, Huntershill Court (acc 14), Wallace of Campsie House (acc 52), William Hunter House (acc 37)
 Grimsby: The Booth Lifehouse (acc 35)
 Hamilton: Barrack Street (acc 150)
 Huntingdon: Kings Ripton Court (acc 36)
 Ipswich: Lyndon House (acc 38)
 Liverpool: Ann Fowler House (acc 38), Darbyshire House (acc 45)
 London: Cambria House (acc 48), Founders House (acc 123), Riverside Complex (acc 60)
 Manchester: Discovery House (acc 10), Endeavour House (acc 15), Independence House (acc 15)
 Milton Keynes: Fishermead (acc 20) Springfield House (acc 16 teenage parents)
 Perth: Skinnergate (acc 30)
 Plymouth: Devonport House and Zion House (acc 72)
 Reading: Shepton House (acc 16), Willow House (acc 38)
 Ryde: Fellowship House (acc 26), Melville Street (acc 7), Carisbrooke Priory (acc 14)
 St Helens: Salisbury House (acc 64)
 Salford: Abbot Lodge (acc 20) (delivered by SAH)
 Sheffield: Charter Row (acc 55), Lincoln Court (acc 11 self-contained units)
 Skegness: Witham Lodge (acc 28), Rookery Nook (acc 11)
 Southampton: The Booth Centre (acc 46 +10 'somewhere safe to stay')
 Sunderland: Swan Lodge (acc 65) Toward Road (acc 11)
 Swindon: Booth House (acc 50)
 Warrington: James Lee House (acc 54)

2 Family Services

Birmingham Shepherds Green House (20 families Domestic Abuse Service)
 Portsmouth Family Services

Veterans Services

Tŷ Dewr - 12

3 Child Contact Centres

Worthing
 Winton
 Birmingham

7 Early Years Education Centres

Gillingham
 Droitwich
 Staines
 Cardiff Ely
 Portsmouth
 Leigh-on-Sea
 Copper Beech, Leeds

In addition, our Employment Plus programmes operate at 290 locations across the UK, supporting, coaching, and helping thousands of people into work across the UK. We also operate an extensive network of safe houses for the survivors of modern slavery.

How We Work

The Salvation Army Social Work Trust, for which this is the Annual Report and Accounts, is the charitable registration through which we allocate and manage funds for our (principally) residential centres and centrally coordinated operations. Much of the funding for this work is received through government and local authority contracts and grants, with the cost of the additional support, wellbeing and training services being met from a grant from our sister charity, The Salvation Army Trust. To see the full picture of our work, you will need to read both sets of Reports and Accounts.

While The Salvation Army Social Work Trust is not unique as a provider of centrally coordinated residential and support services, it is certainly distinctive in terms of its structure, and this distinctiveness gives us a real opportunity to go about our work in impactful ways.

The Salvation Army is a church and charity that doesn't just help people by providing immediate, practical support to overcome issues such as addiction, experiencing homelessness, social isolation or poverty and recovery from slavery; it also strives to address the reasons that cause these situations, with a view to effecting sustainable change in individuals and society at large.

What sets The Salvation Army apart from other organisations is that we have the combined strength of our centrally coordinated services and our locally coordinated churches and community centres which are all playing their part to bring about positive change. When this really comes together, as it does in many places across the UK, it models what we call 'integrated mission.'

Many of the programmes funded by The Social Work Trust support people facing complex challenges. Therefore, a more centralised organisational approach is appropriate for people experiencing homelessness or a survivor of modern slavery or a person recovering from addiction. This contrasts to the approach used in many of the programmes funded by our sister Salvation Army Trust which tend to be less centralised and more 'organism' than 'organisation.' The Salvation Army accommodates these differences through different management structures to ensure support and oversight is appropriate in differing contexts.

Our strategy in The Salvation Army Social Work Trust has been to ensure that the work of these residential centres is effective and efficient, compliant, and as transformative and as supportive as possible, and that all we do starts with the needs of people we serve. That is why in addition to statutory funding we are committed to deploying additional Salvation Army funds to provide the best possible additional support services we can, to achieve the best outcomes for the people in our care.

While we have ongoing contractual commitments which it is our mission to meet, we are always looking to ensure that opportunities to make additional differences are identified, assessed, and when possible seized. Our strategy therefore is one of controlled and best possible ongoing delivery, and at the same time a disciplined ambition to do as much as we can in ways that are as meaningful and innovative as we can, in as much of the UK as we can. As we look forward, for as long as we can afford to, we will commit to identifying additional opportunities to deliver services.

The Salvation Army Trust provides - and cross charges The Salvation Army Social Work Trust for - centrally co-ordinated facilities such as HR, finance, property, IT, PR, and media support. This approach enables us to be efficient and effective in the use of resources.

REALIGNING RESOURCE TO ENABLE A 'FLOURISHING' AND EFFECTIVE SALVATION ARMY

Finalising the delivery of the Structure Coordination and Design Project 2023/2024

The Salvation Army has never been a static organisation, and over its 159 years of life and work it has been constantly evolving to match efficiency and effectiveness with changing times and changing needs.

Ensuring appropriate oversight and support and operational freedoms to more than 600 diverse and locally responsive Salvation Army churches and community centres is challenging. Add to that over 100 residential and non-residential social work centres, and the challenge of ensuring the most effective allocation of resources is a critical task.

The challenge of the Vision Statement and the five Mission Priorities was the impetus for looking at what organisational structures and ways of working needed to change to enable our 'local mission delivery units' (corps and centres) to truly flourish in their individual settings. By 'flourishing' we mean that every expression of The Salvation Army should actively be engaging with the five Mission Priorities (our Mission Statement) to achieve our vision.

This significant task, termed ***The Structure Coordination and Design Project***, has been focused on three desired outcomes:

- **Transformation:** Increase the capacity of locally based Salvation Army work to contribute to the five Mission Priorities (share the good news; serve others without discrimination; nurture disciples of Jesus; care for creation; seek justice and reconciliation).
- **Integration:** Build strong and effective collaboration between all aspects of Salvation Army work in a geographical area.
- **Streamlining:** Design appropriate, effective, efficient, and sustainable structures and processes that enable local mission to flourish.

Starting in 2021 and over a two-year period coming to fruition in the year covered by this Annual Report, the Structure Coordination and Design Project conducted one of the most extensive pieces of internal research we have ever executed in order to answer the simple question:

'What (change) is needed to enable our local mission to flourish?'

The process was deliberately designed to be 'bottom-up.' Consultations were carried out within all the (at the time) 22 divisions, and at all headquarters, both territorial and divisional.

The principal premise we worked to is this: A combination of effective **oversight** of the right things, combined with the allocation of adequate resources and **support**, and the effective **release** of our local mission delivery expressions from unnecessary control, should result in communities and people flourishing.

The strength of this simple model is that it dovetails into the way The Salvation Army has always worked. We respond locally and meaningfully to local need in local ways. Organisational structures and administrative and decision-making processes can become burdensome and inefficient. At its best, The Salvation Army is often more local organism than top-down organisation. Therefore, rooting and starting our thinking and planning for change in 'local' was the most sensible and potentially the most powerful way forward.

The outcome can be outlined as a series of significant changes to the way we work:

Release: We engaged and continue to engage in extensive rethink of how resources need to be marshalled and how the local delivery points can be released to be as free as possible to decide on and deliver what they perceive is needed in terms of service and services. One outcome is, and will

continue to be, a review of effectiveness, and how investment can be directed more freely to where increased investment will deliver meaningful change for people and communities.

Oversight: Effective oversight is vital for compliance and governance. Oversight ensures we are doing the right things in the right ways. However, the design process also looked at where supervision and some forms of oversight are unnecessary or could be released to be done locally, not centrally. We have a strong spirit of accountability in The Salvation Army and the releasing of some aspects of oversight will mean more local ownership.

Support: We need to continue to ensure that the support that is needed to enable local mission delivery to flourish is available, but in the right ways. This means adequate funding streams, support for raising awareness locally, support for training and innovation and local growth. We are developing more practitioner-based and peer-to-peer support. This is helping to reduce the cost of support and improve the quality by encouraging people to learn from fellow practitioners.

Streamlining was also one of the three goals of this process, and a significant branch of this project looked at our divisional structure and how best our 588 corps and community centres including locations where Social Work Trust work is carried out, can be clustered, and supported divisionally (regionally). Following extensive consultation, it was decided to systematically reduce the number of divisions from 22 to 14. This entailed a reshaping of the role of the divisional leadership team to ensure the effective application of the principle of support and oversight and release. Critical to this thinking was also to ensure that divisional headquarters staff with territorial headquarters form one integrated system of support and oversight. During 2023 and 2024, The Salvation Army in the UK settled into working with its new divisional boundaries.

The Structure Coordination and Design Project concluded its work at the end of 2023, with the ongoing focus on transformation, streamlining and integration being taken forward by headquarters staff as an essential aspect of 'business as usual'. The monitoring of actions is overseen within existing board structures.

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ILLUSTRATING THE WORK AND ACHIEVEMENTS OF THE SALVATION ARMY SOCIAL WORK TRUST 2023/2024

The work funded by The Salvation Army Social Work Trust ('The Social Work Trust') is extensive and is centrally coordinated. It ranges from residential programmes for people experiencing homelessness to addictions services, to older people's care homes, emergency services, employment services, debt advice and family centres.

Much of the funding for this work derives from government and local authority contracts, and transfers from The Salvation Army Trust.

This year we have and will continue to focus on two of our largest operations: modern slavery and homelessness but we also illustrate other vital areas of mission that is funded through The Social Work Trust.

Supporting survivors of trafficking and modern slavery

CONTEXT:

The Salvation Army Anti Trafficking and Modern Slavery Department (ATMSD) exists to:

Prevent modern slavery and the trafficking of people

Protect the individual(s) on their journey from victim to survivor

Progress the survivor's journey to sustained freedom and communities' resilience against trafficking.

We provide specialist support to protect all adult survivors of modern slavery in England and Wales through a government contract which was first awarded in 2011. In July 2020 we were awarded the Modern Slavery Victim Care Contract (MSVCC) which enables survivors of MS to receive support at all stages of their recovery. This includes legal and financial support, medical care, counselling, and education opportunities as well as somewhere safe to live or outreach support, a specialised support worker and interpreting services.

Although we partner with other organisations to help deliver this specialist support, we also have our own Direct Delivery service where we provide safe house accommodation and outreach support. Our Integrated Mission team is involved with encouraging and facilitating the development of appropriate responses to human trafficking and modern slavery throughout the UKI Territory. We have a growing volunteer programme offering opportunities for volunteers to become involved at various stages of a victim and survivor's journey. Whilst we work with victims and survivors here in the UK, our specialist international team (based in the UK) focuses on protection and prevention projects working with our SA and other NGO colleagues across the globe to ensure effectiveness, impact, sustainability, value for money and sharing best practice.

Behind the protective shield built around each survivor by specialist support services, The Salvation Army seeks every opportunity to meet individual's needs and involve and empower them in their recovery.

WHY DOES THE SALVATION ARMY DO THIS WORK?

Centuries after slavery was officially abolished, thousands of people are still being exploited and sold as slaves across the UK. They can be forced to work in the sex trade, used as domestic slaves, exploited for labour or criminal activity or have their organs removed to be sold. As a Christian Church and Charity, we are called by God to participate in God's mission of bringing love to the world. We should therefore speak out and act against this abhorrent crime and our historic reputation and prophetic voice has resulted in Governments over the years listening to what we have to say. To this end the ATMSD continues to be that voice and speak up for those who suffer

and are victims of modern slavery. We provide clear and sound evidence that demonstrates the impact policy decisions will have on the most vulnerable and marginalised in our society.

THE CHARACTER AND IMPACT OF OUR WORK

The work of The Salvation Army's Anti-Trafficking and Modern Slavery programme adds tremendous value to a survivors' wellbeing and resilience. Many of the opportunities for survivors to recover and rebuild their lives may not be available to them without The Salvation Army being involved in this work, for example:

- The First Responder service, working with our Employment Plus teams helps to secure job opportunities.
- Specialist training from our Addiction team.
- Awareness raising of risks of modern slavery amongst our homelessness services.
- The Salvation Army also offers a Survivor Support Fund (SSF) providing additional support to survivors. From July 2023 to June 2024 the SSF supported a total of 332 applications valued at £104,883.20.

KEY DELIVERABLES LAST YEAR:

- 10,704 survivors of modern slavery received support to recover from exploitation and rebuild their lives through the Modern Slavery Victim Care Contract
- 267 survivors were referred into support by The Salvation Army Volunteer First Responder Service
- Our transport team organised 977 journeys to move survivors to safety
- We onboarded 160 new volunteers to support our services
- We introduced digital and physical flashcards in more than 20 languages to ease communications between transport volunteers and survivors as they travel together.

OTHER KEY DEVELOPMENTS

- **Public Law and Human Rights solicitor appointed**
This new role focuses on providing advice and assistance to the team on the legal entitlements of service users.
- **Report of services**
The Care Quality Commission (CQC) published a report of services provided to recovering survivors of modern slavery by The Salvation Army and partners through the Modern Slavery Victim Care Contract (MSVCC). It confirmed good practice within the services that met and often exceeded contractual standards, it also highlighted the quality of services and commitment of staff going beyond to provide tailored support.
- **Pilot schemes**
We introduced new pilot schemes with local authorities to coordinate and implement adopting 'trusted assessor' status for support workers in the MSVCC. Trusted assessor status, initially introduced by the NHS to reduce the number of delayed discharges,
- **Training programme**
The programme was co-ordinated by the Quality Manager and delivered by the Addictions Team. They are designed to help manage the increasingly complex challenges survivors are presenting with. Topics included: Suicide and Self-Harm Prevention, Gender-Based Violence, County Lines and Child Sexual Exploitation. To date, 44 training sessions have been delivered.
- We also voiced and spoke up for people who suffered and are victims of modern slavery. We provided clear and sound evidence that demonstrates the impact policy decisions will have on the most vulnerable and marginalised in our society.

A VOICE FOR VICTIMS

- The Salvation Army expressed concerns about the Illegal Migration Bill, urging the House of Lords to protect victims of modern slavery. When the bill passed into law, in July 2023, we expressed our extreme disappointment. We shared the Government's view that the use of small boats was inhumane but Major Kathy Betteridge, director of Anti-Trafficking and Modern Slavery said: 'We are punishing people who have been tricked, trapped, and traded into modern slavery.'
- In late 2023, we welcomed the appointment of Eleanor Lyons as the new Independent Anti-Slavery Commissioner (IASC). We feel it is important for all stakeholders to come together to improve the modern slavery support structures within the UK. We stated our aim to work hard with the new commissioner to bring about positive change, particularly in the light of recent legislative changes.

VALUING VOLUNTEERS

During the year, our Anti-Trafficking & Modern Slavery Team visited major cities around the UK to raise awareness of Modern Slavery & Human Trafficking. We also championed our amazing volunteers. Three volunteers told us about their role:

- Andrea Latheron-Cassule, first responder said: 'We're passed information - from a name to a 30-page solicitor statement - which I go through thoroughly. I find this helps people open up and creates a relaxed and thorough interview.'

Responders like Andrea referred 267 survivors into support this year.

- Rich Johnson, Transport Volunteer said: 'We help victims by transferring them to safe places in the UK. It's a very rewarding role as you are massively helping someone who is at a very low point in their life.'

Our transport team organised 977 journeys to move survivors to safety this year.

- Gwyn Rose-Hocknull, volunteer mentor said: 'The person in front of you is a survivor and may have complex needs. I support people by acting as a positive influence and enabling them to be the best that they can be.'

This year 160 new volunteers like Gwyn have joined our team to support survivors.

WARM WELCOME FOR REFUGEES

In addition to our work nationally, Salvation Army Corps around the country continued to help refugees to resettle in the UK.

In Blackpool, Fylde and Wyre teams have helped source properties and furnish them in preparation for Afghan families to move out of hotels and into their own private accommodation.

Caseworkers from the team have been working with the families to integrate them fully into British life and culture, including employment workshops, applying for citizenship, and driving theory sessions, as well as providing fun in the community such as arts, crafts, and a sewing circle.

In Bromley Temple around 30 members of the local Ukrainian community met up twice a month to enjoy fellowship and to learn English. Soldiers Serhii and Mariia, who came to the town in July 2023 after being sponsored by the corps, hosted this growing community.

In New Malden, around one third of the town's population are Korean. Corps Officers Majors Jae Soo Cha and Jung Hwang, who came to the UK from Korea in 2019, welcomed local Korean families who had settled in the area too. 'We realised that many of them felt lonely and were needing something,' said the Majors.

Our commitment to reducing, preventing, and ending homelessness

GROWING CONCERN AND CHALLENGING GOVERNMENT

In the year under review, homelessness numbers were causing us concern. At the start of the year, government snapshot figures estimated a 26% increase in people sleeping rough - to over 3,000 people a night and almost 40,000 households were registered as homeless, including people in emergency and temporary accommodation.

In April 2023, The Salvation Army called for the then Government to increase support funding in line with inflation and a reversal of the freeze on the value of Local Housing Allowance rates. 'The government's plan to end rough sleeping by 2024 risks being derailed if it does not take action' said Nick Redmore, The Salvation Army's Director of Homelessness Services.

In December 2023, The Salvation Army called for a change in the law so all those forced onto the streets are offered temporary and then longer-term accommodation, and an increase in funding to facilitate this, and an in-line with inflation funding increase for local homelessness services. Captain John Clifton (Blackpool Salvation Army) commented: 'Being homeless during the season of comfort and joy makes terrible and dangerous living conditions feel even worse. Thousands are facing an unhappy Christmas out on the streets without shelter, sanitation or privacy are at risk of illness, injury, and early death because homelessness laws do not consider their situation to be desperate enough.'

With the numbers of people experiencing all forms of homelessness increasing again, The Salvation Army has remained as committed to supporting them as ever. There are many reasons why people can become homeless and there are not always quick solutions, but The Salvation Army has developed many different forms of support to meet immediate needs and in the longer term, to enable people wherever possible to get into some form of stable tenancy.

At a corps and community centre level, we do not offer formalised services but where we can, we help people who come to us seeking help with refreshments, clothes, and guidance or advice and signposting on how to access formalised support and residential accommodation. This form of response will differ from corps to corps.

Across the UK, The Salvation Army operates a network of 77 residential Lifehouses for men and women, and in support of the people who come to us through referrals from the local authority, we also run addiction programmes, employment Plus programmes and other support services including chaplaincy. Wherever possible, The Salvation Army encourages integrated mission, where members of a corps and volunteers work with our local Lifehouses (homelessness centres).

HIGHLIGHTS FROM OUR LIFEHOUSES:

- **Coventry:**

Continuing in the year under review, since 2021, Eden Girls School have been donating food to their local Harnhill residential Lifehouse, which supports 80 people and more recently pupils from the local Islamic secondary school volunteer to pack food for the residents. 14-year-old Zaynab said 'I felt a need to do something in the community...it helps with our religious values - we have an obligation to help other people'.

- **Cambuslang:**

Monica Lennon MSP visited her local Eva Burrows Centre so see how The Salvation Army's 1st Stop Project was providing a safe and supportive environment for homeless people. Endorsing the work there she said, 'The Salvation army is at the forefront of evidence-based service delivery.'

- **Braintree:**

Residents and staff of The Salvation Army's New Direction Lifehouse celebrated 25 years of operation in October 2023. Service manager Sharon Ralph commented 'It's rewarding watching the

residents grow, move on, achieve the things they want to and move into their own accommodation. Former resident and now Programme Manager Anthony Reay recalled how, when he became homeless, he would have to give up both college and a part-time job but that thanks to the support he received, he didn't need to and said that the support he received helped shape his future.

- **Basildon:**

Malachi Basildon is a housing scheme co-managed by The Salvation Army. It is a development of 10 flats which provides furnished safe living space supporting single occupants to lead independent lives. In December, the six modular SoloHaus homes which were donated by the Hill Group project was named Best Partnership at the Inside Housing Development Awards, recognising the positive impact the project has had in the community. Captain Daniel Holland, Homelessness Services Regional Manager said, 'Ending homelessness is about much more than providing accommodation; it is about creating a sense of community, belonging and hope.'

- **Sunderland:**

Residents from Swan Lodge Lifehouse were crowned champions of a five-a-side football tournament in September 2023. The tournament is arranged by Change Grow Live, a charity that supports people in addictions recovery. The Swan Lodge Lifehouse residents' team were coached by former Sunderland AFC player and South Shields manager Julio Arca. Lifehouse support worker commented, 'We see how sport helps with residents' mental health and in managing addictions and improving overall morale.'

OUR TEN- YEAR HOMELESSNESS SERVICES DEVELOPMENT STRATEGY - '1,000 VOICES'

Background:

A significant outcome of the year in review was a ten-year development strategy for The Salvation Army's Homelessness Services. The need for a fresh strategy was becoming clear for a while. The '1,000' voices are the voices of the many Service Users and staff who access and work in our services and spoke into and are central to the ten-year approach. Our Homelessness Services operations acknowledge that the external factors determining the strategic approach to homelessness provision are ever changing.

Simply put, over the last 5-10 years, large hostel-type accommodation has been decommissioned in growing numbers with strategies from all 5 nations and their local authorities proposing alternative responses to homelessness and rough sleeping.

The pandemic demonstrated the potential to bring rough sleeping to an end, and the government at the time made a commitment to do so within their term, but this was not met.

Therefore, a key focus within The Salvation Army's strategy is to commit to the ending of rough sleeping and homelessness in general with a renewed focus on prevention. Within the wider Salvation Army, the Structure Coordination and Design Project (SCDG) (see page 11) has determined the future direction of travel for The Salvation Army in the Territory to enable transformation, integration and streamlining and a more localised approach to decision making and this is reflected in the development of the homelessness strategy.

The external operating environment

The following trends within homelessness and local authority responses were highlighted, necessitating a fresh approach:

- Policy context is changing in all five nations and moving away from large hostel accommodation
- The cost-of-living crisis is challenging - and making contracts less viable
- Rough sleeping is increasing
- Robust digital infrastructure is important for inclusion - and in tenders for contracts
- Supported housing legislative standards are changing across the nations
- All five nations are proposing alternative responses to homelessness and rough sleeping.

The proposed delivery models:

The strategy is proposing a focus on moving away from large hostel-type accommodation to more agile, flexible local responses.

- There will be a focus on striving for integrated mission where homelessness services integrate more with local Salvation Army corps and community centres.
- Chaplaincy is regarded as being an essential component to every centre.
- All properties for over 50 residents to be fully fit for purpose and fully flexible in the next ten years
- All properties for between 30 - 50 residents to be fully fit for purpose within the next 10-15 years.
- Move towards smaller properties for fewer residents, self-contained hub models and increased self-catering provision.
- All new homelessness services provision will prioritise non-residential support.
- Aim to secure 100 additional units of accommodation for self-referring rough sleepers within the next three years.
- Service provision is provided through a 'harm reduction and trauma informed lens' for a broad variety of client groups/areas:
 - Single/Couples (core mission)
 - Families
 - Young People
 - Recovery
 - Prevention
 - Resettlement/ Move on
 - Domestic Violence/Women's Services
 - Complex Needs
 - Social Enterprise
 - Refugees
 - Veterans
 - Rough Sleeping
- Homelessness Services delivers its provision through the following main Operating Models.
 - Lifehouse
 - Floating Support/ Tenancy Sustainment/ Outreach Services
 - Housing First
 - Drop-Ins/ Day Centres
 - NAPpads
 - Addiction Services

This strategy was set out early in 2024 and will shape the ongoing delivery of homelessness services for the next decade. It fully reflects The Salvation Army's commitment to reacting positively, sensitively, and creatively to changing needs and forms of service delivery and the changing needs of the client groups we serve.

Wider work in our communities - Employment Plus

WHY IS THIS WORK SO IMPORTANT?

Employment offers people more than financial stability. It can also bring a sense of pride, purpose, and achievement. It allows people to participate in, and contribute to, society. Employment Plus is our specialist service for people who are out of work, not utilising their skills or not earning enough money to make ends meet. Many of these people don't qualify for, or can't access, help elsewhere. Our focus was on supporting people who had been out of the labour market for some time, and those with complex needs.

Where? Employment Plus service ran in over 290 Corps and Lifehouses last year. During the year, we established regular employability sessions in seven prisons too.

What? We worked alongside jobseekers to understand their needs and goals. Employability practitioners thoroughly assessed each jobseeker taking part in our programmes.

How? We weren't just interested in employment history; we also wanted to understand people's personalities, experiences, and goals in life - to guide them to the resources and training opportunities that best fitted their needs.

Who? Over 6,300 people contacted or started on the Employment Plus programme last year with over 1,100 people finding work. Over the last ten years, our Employment Plus programmes have supported nearly 50,000 people in the UK.

THE TYPES OF SUPPORT WE OFFERED:

Employment Plus Local

Provided information and guidance on learning progressions and qualifications, job searches, digital inclusion, and benefits. Led by our local churches and community centres.

1:1 Practitioner Support

Offered for six months to two years and continues after employment is found. In work support practitioners provided guidance and guidance regarding employment rights and finance.

Courses and Workshops

Tailored support through in-person and online training courses and group workshops, addressing a range of problems such as self-esteem, motivation, and language proficiency. An increasingly key factor was providing people with digital skills.

Work Experience

Partnering with local JobCentres, independent employability providers and corporate partners, we offered short-term placements at a local level. Some participants gained experience working in The Salvation Army charity shops, for 8, 12 or 16 weeks.

GEOFF'S EXPERIENCE

Geoff had a long period out of work after caring for his elderly parents. He was on Job Seekers Allowance and struggling to afford bills, which worsened during the cost-of-living crisis.

Recently he found work as a groundsman at a local hospital with intensive support from Employment Plus. We helped him access a computer for job searches, build up his CV, apply for jobs and prepare for interviews. Geoff was supported with food parcels and signposted to other organisations offering grants.

Geoff was supported by Employment Support Coordinator, Sue. He said: 'She helped me with the job searches, looking at my options, helping me fill in applications, setting up accounts to apply for jobs. She also put me in touch with diverse groups who help with grants or food vouchers and help with finding cheaper gas and electricity providers.'

'I couldn't have found a job without Sue and for the rest of the people who work at Southwick. Thank goodness for The Salvation Army.' **Geoff**

The Family Tracing Service

Reconciliation is the heart of the Christian message of salvation. Our Family Tracing Service is one of the longest-running services within The Salvation Army. The service is accessible, affordable, and available to the whole community.

During the year, the Service continued to offer reconciliation within families where circumstances have often been complex and traumatic. It helps bring peace and a feeling of closure.

The Service developed in 2023/2024. With a small team of three caseworkers, we needed to expand ways for people to connect with us. One way we did this was by improving our web pages, with a new Contact Me concept. This simple online proforma allowed people to contact us 24 hours a day and get an instant acknowledgement.

We achieved successful reconnections which led to family reconciliations, which often go on to reshape entire family units. One service user told us: 'I am extremely thankful, and I have met up with one of my brothers, my nephews too... and learnt that I am now a great uncle. The whole experience has brought me joy.'

New Applications received, registered, and assessed	1,034
Number of general enquiries received	11,252
Success rate for tracing	89%.

Valuable debt advice

We continued to run debt advice programmes across the UK from our churches and community centres. We are authorised and regulated by the Financial Conduct Authority (FCA) and all our staff/volunteers are trained to regulatory requirements.

In 2023/2024:

- 3,534 clients and families were supported
- £6,867,103.97 is the value of debts managed at year end
- 41.5% of people supported were on low income and/or have a long-term illness
- 41% of people supported have a negative budget before paying for essential goods

In the last year we have found suitable debt solution in faster timelines, taking away the worry and fear that being in debt brings. We have introduced on-line portals, allowing people to take control of their financial situation and providing the often much-needed budgeting skills.

As an example, MH came to us with a total debt of £22.5K. We helped him negotiate a payment plan agreeable to his creditors and affordable to MH. He was fastidious in meeting his plan which projected he would be debt free by the end of 2023.

Here for people with disabilities

MUSIC MAN PROJECT

The project continued to offer confidence-boosting music education service for people with learning disabilities and their carers. It isn't about people coming together to play music. It's also about creating opportunities for people to enjoy music and bringing them into contact with The Salvation Army and exploring faith and spirituality.

Music is a wonderful way to communicate and can speak to the very heart of who we are in a way that goes beyond words. In our centres where this programme operates, in 2023/2024, we saw people who are non-verbal find a new way of expressing themselves. People who were socially

isolated have gained confidence. Those who, in the past, experienced all kinds of barriers have found opportunities to develop relationships through the power of music.

There are currently five active Music Man Projects within The Salvation Army in the UK and the project is growing. It's testament to the music ministry that this growth tends to happen organically.

People who encountered the Music Man project were inspired by its message - and by the Army's mission to be inclusive and welcoming as it works to bring fullness of life with Jesus to all.

ENABLED SUMMER SCHOOL

This took place at The National Star College in Cheltenham in the summer of 2023. It is an annual event for people who have a disability, where diversity, individuality and differences are celebrated.

Two of the many attendees were Elaine and her son Sam who reported that the Enabled Summer School is where they both got the strongest sense of belonging. Activities were accessible, the delivery appropriate, engaging, and exciting - and Sam could just be himself.

Over the week, people met friends and enjoyed fun, laughter, and fellowship. There were choices and challenges, the chance to learn new skills and improve on others. The 'can do' attitude, positivity and encouragement from others made Enabled a unique and exceptional week.

Enabled groups to run all year round locally and there is also an online Enabled community. The first online event last year was Enabled Easter. In total the sessions were watched by 2850 people live or over the course of the weekend. People continued to enjoy the sessions long after the event, with views increasing to 3060 by the following week.

Showing compassion for older people

Residential care homes

In addition to all the support and services we provide for older people through our churches and community centres, which are outlined in our sister Report and Accounts for The Salvation Army Trust, we run care homes which are funded through The Salvation Army Social Work Trust (this Report).

- We have 12 regulated residential care homes across England, Scotland, and Northern Ireland, with 451 beds in total.
- Over the year, the homes have provided support to 520 older people, more than 75% living with some form of dementia.
- The homes also supported families and loved ones through noteworthy events including end-of-life care.

Older people need the support of our services for a number of reasons. The UK population has been steadily aging, driven by increased life expectancy and declining birth rates. Aging brings the risk of isolation and loneliness. The number of care home places, especially those that are funded by local authority, are falling.

Our approach is to work with older people so they can live as ordinary a life as possible. We treat our homes as their homes. We ensure that our support is bespoke to each individual and arranged in consultation with their loved ones and health care professionals.

What we do is rooted in love. We want to ensure older age is rich and fulfilling. We welcome anybody whose needs we can meet, irrespective of financial status and we do not ask people to leave our homes based on their ability to pay.

Our chaplains are a unique provision in our care homes, and they support both staff and residents. They are part of our vibrant communities and engage in formal worship and create spaces for every person to be involved, heard, and supported and assist in the collaboration with our corps.

We are pleased that the provision of care in our residential homes continued to receive positive recognition and reporting from the regulator.

Care home	Location	Regulators Rating (CQC - England, CI - Scotland and RQIA - N Ireland)
Sir Samuel Kelly	Belfast	RQIA - Good
The Hawthorns	Buxton, Derbyshire	CQC - Good
Youell Court	Coventry	CQC - Good
Davidson House	Edinburgh	CI - Good
Eagle Lodge	Edinburgh	CI - Very good / Good
Villa Adastra	Hassocks, W Sussex	CQC - Good
Glebe Court	Lewisham, London	CQC - Good
Furze Hill House	North Walsham, Norfolk	CQC - Good
Holt House	Prestwich, Manchester	CQC - Good
Lyndon House	St Albans, Herts	CQC - Good
Bradbury Care Home (closed January 2025)	Southend, Essex	CQC - Good
Dewdown House	Weston super Mare	CQC - Good

Here are some of the things people say about our residential care home service:

‘I am so grateful for all their support and guidance whilst caring for my mother. Their dedication in their roles shines through. Her improved outlook on life is down to them showing care and giving her a home she is happy to be in. Their individual knowledge has saved her, repeatedly. I can never say thank you enough for all you do every day. The little gifts and the time spent on activities to enrich their days show just what a special place this home is.’

‘Dad is living his best life. He has friends, he absolutely adores the staff. He joins in all sorts of activities including things he has never done before like cooking! Having a chaplain and regular worship is important to Dad. The staff deal very positively with Dad’s dementia and always with respect. He is encouraged to make good choices and supported unconditionally.’

You can read more about our work in local churches and communities in our associated annual report, The Salvation Army Trust 2023/2024.

Understanding and supporting addiction

Our work aligns closely with the stated aims of the movement to help people who face significant distress and hardship to find self-worth and love.

CORE RECOVERY

Core Recovery is a model of church that has grown out of our work supporting people with addictions and its associated issues. It is an effortless way of doing church that strips things right back to the basics, journeying together with people and Jesus towards personal transformation.

This approach became operational in more than 20 Salvation Army communities. For example, over the year, Bath launched a Core Recovery meeting from its community work and quickly grew to more than 20 participants.

Meetings are interactive, so people can speak and ask questions throughout. Feedback from participants mentioned the importance of feeling accepted.

PRACTICAL SUPPORT AND SOLUTIONS

While complete freedom from harmful addictions is desirable, it is not always possible. One element Army's approach to helping people is to focus on harm reduction.

Last year, there were nearly 5,000 drug-related deaths in England and Wales. In January 2024, we reported that The Salvation Army had called for all police officers to be equipped with Naloxone. This temporarily reverses an opioid overdose to allow time for emergency services to arrive. The Army also called for NHS emergency departments, mental health trusts and ambulance services to issue take-home Naloxone kits for those at risk of opioid overdose.

CAMPAIGNING TO END THE STIGMA OF ADDICTION

A Salvation Army-backed campaign aimed at reducing the stigma around deaths due to alcohol and drugs was supported by MSPs in the Scottish Parliament.

See Beyond - See the Lives - Scotland was launched by the University of Stirling, Scottish Families Affected by Alcohol and Drugs, Scottish Health Action on Alcohol Problems and The Salvation Army. We hoped that using stories and images of people who have been affected will shatter myths surrounding drug and alcohol abuse - and encourage people to show compassion for those experiencing problems with substance use and those left behind when a loved one dies.

Director of Addictions Lee Ball said: 'The Salvation Army supports thousands of people through our addiction and harm reduction work, and we understand that people often use drugs and alcohol as a coping strategy to escape unbearable pain and trauma. To save lives, you must also address the root cause of the substance use, and that means investing in addiction and mental health support services.'

Reliable, experienced partner in a crisis

OUR EMERGENCY SERVICES

Every year, as a matter of course, our corps renew their commitment to work with emergency services in the aftermath of major emergencies. It means they could rely on us, and so could the people affected when disaster strikes. 26 emergency response vehicles respond to at least 300 calls-outs per year.

'It's a privilege to offer our support, and emergency crews always appreciate our response. Many say to us that we are the vehicle they look for first when on scene.' - Julie Judson, Salvation Army chaplain.

TO THE RESCUE

Amid the heatwave last year, The Salvation Army was on hand to support the emergency services and rough sleepers as temperatures soared. We provided water, sun cream, suitable clothing, and emotional support to rough sleepers.

- At major fires, we provided refreshments and pastoral support to emergency workers attending major incidents. This included four incidents in London, a blaze at an office building in Leicestershire, a wildfire in southern Wales and a large fire at a farm near Ipswich.
- During flash flooding, corps officer Lieutenant Debbie Anne Hogarth opened the Hastings Corps Hall as a warm space for emergency workers and local residents affected. The corps also fed and clothed residents and worked with the council to rehouse 15 families affected by the floods.
- When Storm Jocelyn hit, corps officers from Stornoway came to the aid of stranded travellers on the Isle of Lewis. They opened the hall to around 30 adults and children affected by a road accident, providing hot drinks, food, puzzle books, War Cry magazines, a charging point, and toilets.

PROVIDING RESOURCES AND EQUIPMENT

- In Suffolk, volunteers celebrated 45 years of supporting emergency services in the county with a dedicated emergency vehicle. The Salvation Army put forward plans to redevelop Stowmarket Fire Station including a dedicated bay for the new emergency vehicle.
- At Rochester Fire Station Captain Gary Robb was presented with a new Incident Response Unit (IRU) by Alun Cornish, FedEx Operations Managing Director. The IRU will strengthen the Army's support of the emergency services across Kent and Sussex.
- On Lindisfarne, the North East emergency response team took part in a challenging training operation as part of its work supporting emergency services. The multi-agency exercise was led by Northumberland Fire and Rescue Service alongside Mountain Rescue, the Coastguard and Natural England. The training helped to prepare for scenarios such as wildfires.

LOOKING FORWARD AS A MOVEMENT

The Salvation Army Social Work Trust portfolio of services has once again supported people, of all ages, in all sorts of need. Continuous development and response to change are our hallmark and we fully intend to be as agile and responsive as we move forward as we have been for the last 160 years.

The Salvation Army Social Work Trust is the legal entity through which our centrally coordinated programmes are managed, and this Report has highlighted many examples of the delivery in 2023/2024 across many areas. Some of this work is funded through central government, devolved government, and local authority contracts and some is funded with grants from The Salvation Army Trust.

We will continue to support victims of modern slavery through our network of safe houses and our volunteer drivers and through the immense value of the Survivor Support Fund which helps meet the needs of survivors and get them set up in a new life.

We will start to implement the development strategy for our Homelessness Services and continue to respond to the growing numbers of people experiencing homelessness, and to work with Government and with local authorities to meet these needs flexibly and in changing ways as funding and funding criteria change.

We will continue to deliver services such as Employment Plus and debt advice which make such a difference to people as they seek to manage their financial situation, to reduce the often-damaging stress that debt can cause and, if needed, help them back into meaningful work.

We will maintain our commitment to supporting the emergency services at serious incidents, providing practical and emotional support.

We will continue to support people with addictions and people recovering from addictions with specialist support and helping them and other vulnerable people experience fellowship and friendship through our Core Recovery programme.

We remain committed to family life and will continue to deliver services that support and help maintain and relationships.

We will continue to 'speak truth to power' to ensure we are the voice of people who often have no voice, that legislation is developed to meet the real problems that we see which need tackling and funding, and we remain committed to speaking out where legislation needs amending,

The Salvation Army Social Work Trust, working with its sister trust The Salvation Army Trust, remains committed to striving to achieve our vision of 'Fullness of life for all with Jesus' and to do so by following its five Mission Priorities. Fullness of life has many meanings, but The Salvation Army Social Work Trust remains committed to deploying its funding to meet need in the many and often complex ways it presents itself. It's what we were called to do and it's what we remain steadfast in doing next year and in the years ahead.

GOING CONCERN

The Trust has felt the financial impact of global economic factors, particularly the high inflation rates on our cost base plus the related cost of living crisis. At the time of writing the Bank of England projections for the medium term indicate that inflation will rise to 3.7% and expected to fall back to the 2% target after that, but this remains a watching brief with the current instability arising through the trade tariffs being imposed by the USA. The organisation anticipates that the trading environment will continually be challenging. The Trust has a significant contract with the Home Office, £76.0m (2023: £65.6m) which supports the Anti-Human Trafficking Programme. This equates to 87.5% of the Other Social Operations income stream, and should this contract be terminated; it would also mean that £82.2m expenditure (2023: £73.4m) would no longer be incurred. The Trust could continue to operate without a significant impact upon other service deliverables.

Financial projections and other supporting financial models that detail potential financial impacts upon the Social Work Trust, are reviewed on a regular basis by the operational boards as well as furthering the scenario planning to assess the potential short, medium, and long-term financial implications of other risks and opportunities. Albeit this is currently undertaken on a lower-level scale.

Looking ahead we plan to better utilise the financial reserves to support the organisation and where necessary invest in strategic priorities. This financial year, 2023-24, saw us continuing to spend on our strategic aims. The closing unrestricted reserves were £173m (2023: £154m) and the cash and bank balances were £23.9m (2023: £29.7m). Given that there are daily bank monitoring and cash-flow forecasts undertaken, the directors have a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements, and are not aware of any material uncertainties that may adversely affect the organisation. Accordingly, the financial statements will continue to be prepared on the going-concern basis.

RAISING FUNDS

The income streams for The Salvation Army Social Work Trust consist mainly of statutory funding and, to a lesser degree, income from the sale of assets and income from legacies.

Fundraising for the overall work of The Salvation Army, including the work carried out by The Salvation Army Social Work Trust, is largely managed through and executed under The Salvation Army Trust, a separate charity from The Salvation Army Social Work Trust.

One of the distinctive features in the delivery of services covered by The Social Work Trust is that we always seek to do the best we can to help people experience holistic change. Often this means providing additional support services, training, and skills development. This comes at a cost, and therefore to meet this additional cost The Salvation Army Trust makes a grant to The Salvation Army Social Work Trust based on funding needs.

No active fundraising is carried out by The Salvation Army Social Work Trust.

SUBSIDIARIES

The Salvation Army Social Work Trust works in harmony with its subsidiary, Salvation Army Homes (SAH). SAH is a charitable provider of supported housing and support services across England, registered under the Co-operative and Community Benefit Societies Act 2014 (registration no. 15210R) and is also registered with the Regulator of Social Housing (registration no. LH 2429).

The principal activities of SAH are the management and development of social housing, primarily for single people. This includes Lifehouses for homeless people, foyers offering support and training, housing with appropriate support services for vulnerable people and special housing for the elderly as well as self-contained rented homes at rents affordable to those on low incomes.

SAH operates nationally in over 70 local authorities across England and has five principal areas of operation:

1. **Agency-Managed Centres (1,497 bed spaces):**
SAH works in partnership with a number of organisations nationally, including The Salvation Army, to provide a wide range of Agency-Managed Supported Housing services. These include residential centres (called Lifehouses) for homeless single people and homeless families, centres for those recovering from addictions, accommodation for ex-offenders and individuals and families fleeing domestic violence. Within these partnerships, we act as the landlord owning and maintaining the buildings, whilst our managing agents undertake the day-to-day management of the service.
2. **General Needs (1,275 homes):**
SAH owns a range of accommodation that provides secure affordable housing for families and individuals. Residents access this accommodation through local authority waiting lists as we have nomination arrangements in place with our local authority partners.
3. **Accommodation for the over-55s (291 bed spaces):**
Some of SAH's accommodation is specifically designed for those over the age of 55, including a scheme manager providing on-site support. In accommodation where there is no staff on site, there will be an alarm call system and other types of floating or community support

available. Styles of accommodation vary from studio flats to bungalows. Many of SAH's schemes have communal facilities where residents can engage in a range of activities.

4. Directly Managed Supported Housing (507 bed spaces):
SAH directly manages a number of schemes throughout England, both managing the building and delivering the day-to-day management and support. As with the Agency- Managed schemes, SAH provides a range of support services to the residents. All schemes, including our foyers which are tailored for those between the age of 18 and 25, have 24-hour staff support where residents engage in a range of activities to promote independence with the aim of resettlement into independent living.
5. Registered Care Homes (52 bed spaces):
SAH owns a number of registered care homes, working with a partnering agency to provide support and care for clients in a residential environment.

SAH also manages 707 residential properties, providing a housing management service throughout the country.

MODERN SLAVERY AND ANTI-HUMAN TRAFFICKING STATEMENT

At The Salvation Army in the United Kingdom and Ireland Territory we hold a zero-tolerance stance on acts of modern slavery and human trafficking and on any breach of our Ethical Policy and will not condone any such action by our contractors, suppliers, or consultants. We take this issue very seriously and are committed to preventing acts of modern slavery and human trafficking from occurring within our supply chain. Our Procurement Ethical Policy is integral to all supplier contracts and sets out the overall standards surrounding human rights, child labour, discrimination, corruption, bribery or other financial impropriety, legal compliance, and ethical conduct with which our suppliers must comply.

A Supplier Ethical Declaration is referenced in the standard purchase terms and conditions of The Salvation Army and compliance is a contractual requirement for all suppliers operating under these standard terms and conditions. In addition, all suppliers and contractors submitting tender responses must confirm their agreement and acceptance of the terms and conditions and sign the ethical declaration and apply these standards to their own supply chains.

Our Procurement Unit continually reviews its supply base, examining suppliers in those areas that represent the highest risk of modern slavery, particularly in spend areas relating to temporary labour, cleaning, catering, linen, branded goods and building services. Where trade and industry best practice standards are used as the benchmark and The Salvation Army has adopted the use of Constructionline for tendering and selecting building suppliers.

Due to the importance of training and education in the fight against modern slavery, the Procurement Unit has partnered with Stronger Together to deliver training to members of its team on identifying potential victims of modern slavery. All members of the Procurement team compete the Chartered Institute of Purchasing and Supply ethical procurement assessment annually.

The Procurement team holds regular Helping The Salvation Army Buy Better training seminars for stakeholders where ethical supply chain issues are covered. The Procurement team has also hosted a supplier conference with a specific focus on providing education on combating supply chain labour abuses. The commitment to ensuring ethical supply chain standards is also embedded in the recently adopted Salvation Army Fiscal Stewardship Principles and the Procurement Unit will be asked to report against these standards regularly.

STREAMLINED ENERGY AND CARBON REPORTING (SECR) STATEMENT

At The Salvation Army Social Work Trust (SWT) we recognise that climate change represents a significant global threat, and we recognise that we need to reduce our operational energy use and carbon emissions, and we have set ourselves some challenging targets to achieve this. We are pleased to report our progress in this area over the last year.

Targets

Our carbon reduction targets for the operational emissions included in this report are:

- 50% reduction by 2030 (from a 2019/20 baseline)
- Net zero by 2040

What do we mean by net zero? We will reduce our emissions by at least 90%, in line with the criteria of the Science Based Targets Initiative's Net Zero Standard.

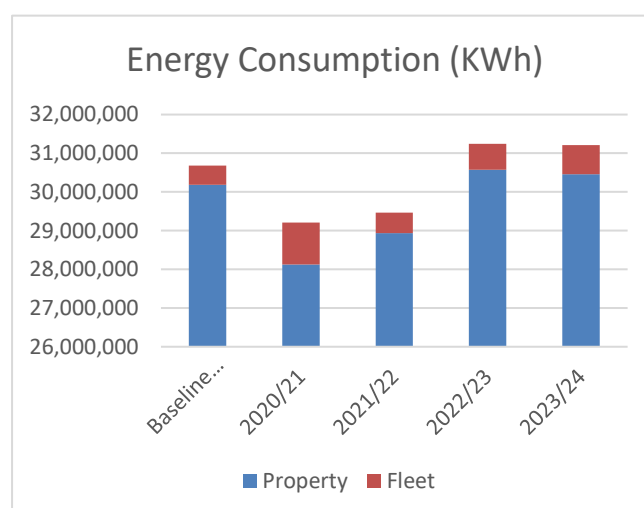
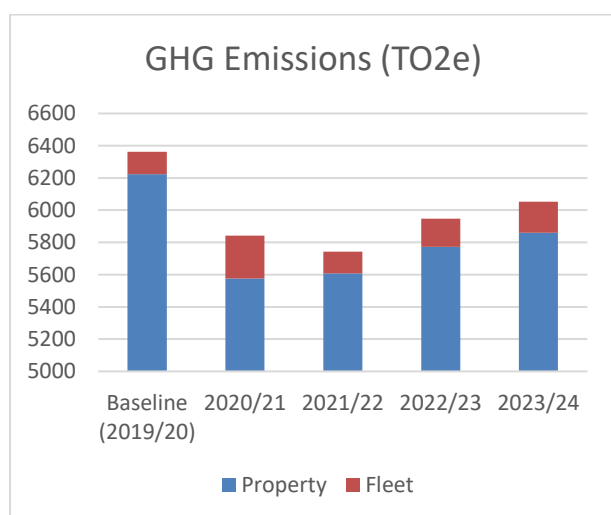
We have also calculated our wider indirect carbon footprint and set a target to reduce those emissions to net zero by 2040. Further details are included in our Net Zero Strategy 2040.

Reporting methodology

This report has been prepared in accordance with the Streamlined Energy and Carbon Reporting Guidelines (SECR) 2019, the Greenhouse Gas Reporting Protocol Corporate Standard and ISO 14064-1. To convert activity data into carbon we have used the 2024 UK Government's Conversion Factors for Company Reporting.

Greenhouse gas emissions and energy use data

Tonnes CO ₂ e						KWH				
Scope 1 (Gas, Petrol,)	Baseline (2019/20)	2020/21	2021/22	2022/23	2023/24	Baseline (2019/20)	2020/21	2021/22	2022/23	2023/24
Property	4,224	4,096	4,122	4,286	4,205	22,973,309	22,274,210	22,507,000	23,525,009	23,030,788
Fleet	137	266	134	173	134	489,527	1,083,612	525,215	675,620	747,044
Total Scope 1	4,361	4,362	4,256	4,459	4,339	23,462,836	23,357,822	23,032,215	24,200,629	23,777,832
Scope 2 (electricity, grid average)										
Property	1,844	1,364	1,365	1,363	1,539	7,214,939	5,848,518	6,429,501	7,046,786	7,430,523
Total Scope 2	1,844	1,364	1,365	1,363	1,539	7,214,939	5,848,518	6,429,501	7,046,786	7,430,523
Scope 3										
Total Scope 3										
Total (Grid Average)	6,205	5,725	5,622	5,822	5,878					
Intensity Ratio										
(Tonnes CO ₂ e per employee)	3	3	3	3	2					
Total energy Consumption						30,677,775	29,206,340	29,461,716	31,247,415	31,208,355



Our total energy consumption has increased by 1.7% compared to our 2019/20 baseline. Total carbon emissions have reduced by 5.3% and our intensity of tonnes CO₂e per employee by 7.6%. We have made a small amount of progress reducing carbon emissions from our properties. However, emissions from fleet have stayed static.

Progress by area

Property

- Compared to 2019/20 baseline: 0.9% increase in energy consumption and 5.3% reduction in carbon emissions.
- Compared to prior year: 0.4% decrease in energy consumption and 1.6% increase in carbon emissions.

Actions:

- **Energy efficiency:** we plan to undertake a full energy efficiency upgrade of one of our Lifehouses as a trial pathfinder project to a future larger retrofit programme.
- **Renewables:** Four of our properties currently have roof mounted Solar PV systems providing clean renewable energy and we are currently installing an additional two this year.
- **Reducing fossil fuel use:** Currently most of our properties have fossil fuel-based heating systems with a small number of electric heat pumps. However, beginning this year, we are starting a programme of energy retrofits to about six of our properties over the next three years which will include switching heating systems over to low carbon alternatives.

Fleet

- Compared to 2019/20 baseline: 53% increase in energy consumption and 1.8% decrease in carbon emissions.
- Compared to prior year: 10.6% increase in energy consumption.

Actions:

- **Reducing fossil fuel use:** We continue to encourage the take-up of electric company cars, and we recently added EV and PHEV vehicles to our employee company car list. Currently we have 13 EV and PHEV on order and this trend will continue to increase.
- **Reducing travel:** We are actively encouraging more sustainable travel and recently updated our Travel Policy to have a more sustainable travel focus.

Colleague engagement.

Engaging our staff and volunteers on this agenda is important to us. We are currently developing a Care for Creation training module that will be rolled out early next year for both current and new staff and officers.

We provide updates throughout the year through our intranet, weekly internal newsletters, and articles in our *Salvationist* magazine.

Wider strategy

This report covers a small part of our sustainability and carbon reduction programmes. Read more about the work we are doing in our Net Zero Strategy 2040 and Carbon Management Plan 2024-27. Both reports are available upon request.

REVIEWING FINANCES

Income

	2024	2023
	£m	£m
Charitable activities:		
Centres' revenue income	90.8	79.8
Other social operations	86.9	77.8
Housing association turnover	27.5	23.3
	205.2	180.9
Legacies and donations	2.8	3.1
Grants from The Salvation Army Trust	29.7	22.4
Investment and rental income	3.4	1.9
Disposal of fixed assets	(1.1)	29.1
Total income	240.0	237.4

Centres' revenue income

The main elements are:

- charges for residents in our care homes for older people (£17.0 million)
- charges for residents in our Lifehouses (£36.2 million)
- income received under contracts with local authorities, principally Supporting People contracts (£26.3 million)

Other social operations

The main elements are:

- Employment Plus (£1.4 million)
- Anti-Trafficking (£87.2 million)

Our Employment Plus team provides services to help unemployed people into work through several Work Programme contracts where The Salvation Army is a subcontractor. Income fluctuates as it is dependent on the number of referrals and on clients securing and retaining employment.

We provided support to the victims of modern slavery under a contract with the Ministry of Justice. The demand for this service has increased year on year.

Housing Association turnover

This represents the turnover of The Salvation Army Homes (SAH), a subsidiary of the Social Work Trust, adjusted to reflect the accounting policies and reporting requirements of the Social Work Trust.

Legacies and donations

Legacies of £1.4m and donations of £1.4m were received in the current year.

Grants from The Salvation Army Trust

The Salvation Army Trust provides financial support to the Social Work Trust. This includes the Big Collection Appeal which is an annual appeal undertaken by corps (church) members specifically for social work programmes.

Expenditure

	2024	2023
	£m	£m
Charitable activities:		
Centres' operations	114.4	105.3
Other social operations	90.8	83.4
Housing association operating costs	26.3	24.0
	<u>231.5</u>	<u>212.7</u>
Cost of raising funds	0.1	0.1
Total expenditure	<u>231.6</u>	<u>212.8</u>

Centres' operations

This represents the operating costs of care homes for older people, Lifehouses, detox centres, day care centres and other non-residential projects.

Other social operations

The increased costs reflect the increase in the number of victims of trafficking being helped by our service as well as Employment Plus and the Family Tracing Service.

Net gains/(losses) on investments

There has been an unrealised gain on investments of £20.2 million (2023 restated: gain of £1.2 million).

This represents a £3.0m gain in value of the Salvation Army Homes' investment property at Waterloo, London with aggregate unrealised gains on the Trust's investment portfolios of £1.3m.

Funds

Excluding investment gains of £20.2 million, the Social Work Trust (excluding SAH results) has generated a surplus of £7.2 million compared to a surplus of £25.3 million in the previous year.

Total funds at the year-end were as follows:

	2024	2023
	£m	£m
Endowment funds	19.0	16.8
Restricted funds:		
Social Work Fund	80.3	75.9
Social Work projects	40.2	38.7
SAH operations	130.8	129.4
Total restricted funds	251.3	244.0
Unrestricted funds:		
Designated funds	51.8	53.1
Unrealised investment gains	100.2	85.5
General reserve	20.7	15.5
Total unrestricted funds	172.7	154.1
Total funds	443.0	414.9

Endowment funds

All endowment funds are represented by investment in the Common Investment Funds and the movement is due to the increase in market value of the investments. The capital value of the funds is retained but the income is applied to fund our work.

Restricted funds

Social Work Fund represents property assets including Lifehouses, care homes and other properties used for the operations of the parent charity. These funds are not therefore available to spend. Funds restricted for social work projects represent legacies and donations given for specific purposes.

All SAH funds are treated as restricted in the group accounts.

Unrestricted funds

Designated reserves

The levels of designated funds are reviewed annually. These are funds set aside by the directors for new projects and to meet known future commitments such as maintenance of our properties. These funds are kept under review by SATCO to ensure their purpose remains in the medium term. There is a major components reserve utilised for larger building projects addressing the necessary investment in properties within the Social Work Trust.

Unrealised gains

These are gains and losses as a result of market value fluctuations which have not yet been realised.

General reserve

This represents funds which are freely available for the general purposes of the charity.

RESERVES POLICY

Our reserves policy focuses on the level of general reserves.

We work with vulnerable and disadvantaged members of society, principally through our residential centres. We need reserves so that we can maintain continuity of our services in the event of a decrease in income or unexpected expenditure.

The directors have reviewed the main income streams, the risks associated with them, the main categories of expenditure and the extent to which these can be curtailed if required. A considerable proportion of our income is received under contract from local authorities. As such this is subject to regular competitive tendering and to changes in central and local government policies. The Trust also receives a grant from its sister trust - The Salvation Army Trust - generated from its fundraising to support the work of the Trust. There is a much smaller portion of income that is voluntary income which can be uncertain and fluctuate from year to year.

The total value of funds held as at 31 March 2024 was £443m (2023: £415m). There are restricted reserves of £251m (2023: £244m), unrestricted reserves of £173m (2023: £154m), and endowment reserves of £19m (2023: £17m).

The unrestricted funds include general reserves, designated funds, and the unrealised investment gains reserve. General reserves are utilised to fund the day-to-day needs of The Salvation Army. These were £20.7m as at 31 March 2024 (2023: £15.5m). The designated funds are unrestricted but set aside by the directors for specific purposes, £51.8m (2023: £53.1). The unrealised investment gains reserve totalled £100.2m (2023: £85.5m).

General reserves at the year-end were £20.7m which is within the target range of £9.6m to £24.4m. The target range is modelled looking at income and expenditure with an associated risk factor (correlated with a higher likelihood of an adverse outcome) considered annually and duly reflected in the annual Reserve Policy. Like other charitable organisations, we are facing increased costs from high inflation as well as a challenging fundraising environment as the cost-of-living crisis continues to bite. A deficit budget has been approved for 2025/26 which will result in a significantly lower general reserve towards the lower end of the target range. The Trustee review the reserves policy on an annual basis taking account the changing internal and external risk factors.

INVESTING FOR THE FUTURE

The charity holds its investments in The Salvation Army Common Investment Funds. These funds were set up under Schedule 2 of The Salvation Army Act 1980 to act as common investment schemes for certain Salvation Army Trusts.

The Salvation Army Common Investment Fund (No 1) consists of permanent endowments which are restricted by the wishes of the donor. In most cases the income is to be used for restricted purposes. The Salvation Army Common Investment Fund (No 2) is operated for those Salvation Army Trusts without permanent endowments. Both funds are managed by The Salvation Army Trustee Company. Cazenove Capital Management manages CIF1 and 50 per cent of CIF2, whilst Sarasin & Partners LLP manage 50 per cent of CIF2.

The funds are subject to The Salvation Army Act 1980 and the following guidelines:

- the principal aim is to invest in a manner consistent with the promotion of the objects of The Salvation Army
- investments should be made on longer-term considerations rather than in the pursuit of short-term gains

- investments may be held in stocks, shares, debentures, and other securities quoted on a recognised stock exchange, in government, municipal and public utility stocks and in bank deposit accounts
- investments may be made in collective investment schemes, including those holding real estate assets
- no direct investment may be made in unquoted securities in the UK or overseas
- there will be no investment in companies which derive a material amount of their revenues (% indicated) from the following activities:
 - the production of alcohol (5%)
 - the sale, together with any production, of alcohol (10%)
 - the production of tobacco (5%)
 - the sale, together with any production, of tobacco (10%)
 - the manufacture of whole weapons, weapon platforms and weapon systems (no minimum limit)
 - the manufacture or sale of strategic parts for weapons systems (10%)
 - the business of gambling or providing access to such businesses (5%)
 - the production of adult entertainment services or providing access to such services (1%)
 - the publication or wholesale of pornographic magazines or newspapers (1%)
- Investment managers are expected to exclude companies whose activities might reasonably be expected to increase poverty or act against the relief of poverty. The investment managers are required to monitor companies in the portfolios to ensure best practice in corporate governance, employment conditions and environmental sustainability

The Funds' benchmark and ranges of distribution are as follows:

Asset Class	Benchmark	Range
	%	%
Equities:		
Global	100	+/- 10
Bonds	0	+10
Cash	0	+10
	100	

The aims and objectives of the Common Investment Funds are as follows:

CIF1

Fund strategy is:

- to preserve the value of the fund, adjusted for real inflation
- to maintain a steady annual income stream

The performance objective of the Fund is to achieve an annual total return which exceeds the composite benchmark below by at least 1.25 per cent per annum, gross of fees, measured over rolling three-year periods.

Asset Class	Performance Benchmark
UK Equities	FTSE All-Share
Europe (ex UK) Equities	FTSE All World Developed Europe (ex UK)
Emerging Markets Equities	FTSE All World Emerging Markets
Asia Pacific Equities	FTSE All World Developed Asia Pacific
United States Equities	S&P 500
Property	AREF/IPD UK Quarterly All Balanced Property Fund

CIF2

The Fund strategy is to aim for capital growth rather than income. The performance objective of the Fund, excluding cash and gilts under lien, is to achieve an annual total return which exceeds the composite benchmark below by at least 1.25 per cent per annum, gross of fees, measured over rolling three-year.

Asset Class	Performance Benchmark
UK Equities	FTSE All-Share
Europe (ex UK) Equities	FTSE All World Developed Europe (ex UK)
Emerging Markets Equities	FTSE All World Emerging Markets
Asia Pacific Equities	FTSE All World Developed Asia Pacific
United States Equities	S&P 500
Property	IPD UK Property
Cash and gilts under lien	FTSE Gilts under 5 years

Performance for the year compared to the benchmark was as follows:

	CIF1	CIF1	CIF1	CIF2	CIF2	CIF2
	%	%	%	%	%	%
Annual total return (gross of fees)	16.9	4.0	5.3	14.4	1.1	6.1
Benchmark return	20.6	(2.6)	13.6	20.6	(2.6)	13.6

The performance is being monitored on a regular basis through discussions with the respective investment fund managers.

In absolute terms the performance of the Common Investment Funds for the year was as follows:

	CIF1	CIF1	CIF1	CIF2	CIF2	CIF2
	2024	2023	2022	2024	2023	2022
	%	%	%	%	%	%
(Decrease)/Increase in capital value of fund	18.64	2.9	6.8	12.8	-0.1	17.1
Average net income return	1.37	0.5	0.4	0.8	0.7	0.7

STRUCTURE, GOVERNANCE AND MANAGEMENT

The United Kingdom and Ireland Territory is under the command of a Territorial Commander, appointed by the General and responsible to him/her for the day-to-day administration of Salvation Army work throughout the British Isles, including the Channel Islands, the Isle of Man, and the Republic of Ireland.

The Salvation Army's property in the United Kingdom Territory is held by The Salvation Army Trustee Company (SATCo), a company limited by guarantee, registered in England (No 00259322), with its registered office at 1 Champion Park, London, SE5 8FJ.

The two main trusts under which The Salvation Army in the United Kingdom operates are:

1. The Salvation Army Social Work Trust, whose accounts are contained in this Report.
2. The Salvation Army Trust, Charity Registration No 214779 in England and SCO09359 in Scotland.

The governing document of The Salvation Army Trust is The Salvation Army Act 1980, as amended. Under Section 12(1) (a) The Salvation Army Trustee Company is appointed as the sole ordinary trustee of the trusts listed in Schedule 5 to that Act.

The governing document of The Salvation Army Social Work Trust is the Deed Poll dated 30 January 1891, and a supplementary deed dated 26 March 1969.

The Salvation Army Social Work Trust acts as managing agent for a number of projects on behalf of several registered housing associations, including Salvation Army Homes.

Salvation Army Homes

The Salvation Army Social Work Trust has the power to exercise control over Salvation Army Homes (SAH). SAH is registered with the Co-operative and Community Benefit Societies Act 2014 and is a registered social landlord regulated by The Regulator of Social Housing.

RISK MANAGEMENT

The Salvation Army identifies, assesses, and manages risks that could impact its activities so it can better achieve its objectives, comply with relevant laws and regulations, and safeguard its funds and assets.

The Board (SATCo) has ultimate responsibility for overseeing risk management, in accordance with Charity Commission guidance (CC26). The Risk Management Committee (RMC) directs an enterprise-wide risk management programme to inform decision making and ensure effective procedures to identify and evaluate risks and implement effective controls.

The RMC considers the most recent developments in the most significant risks, while also prioritising broader developments to The Salvation Army's approach to risk management. Current plans include promoting a deepening appreciation of the complexities of risk management within a wide-ranging structure, the importance of metrics to inform risk management and the implications of macro and global risks that may have consequences for the organisation.

Risk management operates through a top-down review by the RMC and bottom-up review by individual functions, enabling the identification and prioritisation of key and emerging risks. This enables site and service-specific concerns to be identified and managed, whilst retaining high-level oversight and assurance of the most significant risks facing the organisation. The RMC reports to the Board at least once yearly on key risks. Through this risk management process the directors have considered the major risks facing the organisation and satisfied themselves that controls are established to manage them.

Unfortunately, the nature of our work means that despite the steps we take, serious incidents can still arise, and we continue to place the utmost importance on reporting these to our regulators.

Principal risks

The Salvation Army's work is diverse, geographically spread across a broad range of settings and has a variety of beneficiaries. The risk landscape is therefore varied, and controls are deployed appropriately at various levels of the organisation. The following outline indicates the most significant risks in the reporting period, and some of the strategic level mitigations we have in place.

Principal Risks	Mitigation
Business Continuity - There is a risk of the occurrence of a significant incident where, during and after the incident, The Trust will not be able to continue to be viable and meet stakeholder expectations.	Business continuity policies and procedures, including the application of ISO27001 for some parts of the organisation, prepare us for management of interruptions.
Cyber - The risk is that we fail to protect our information systems and the information they hold.	We deploy multiple measures to protect our systems and the information they hold. We work within an information security international standard (ISO27001) and build on lessons from our internal and external audits in this area
Data Protection - The risk that we fail to protect sensitive and personal data.	As well as our data protection/GDPR policies and training we take steps to ensure that personal data is treated properly through appropriate security measures, staff training, the use of data protection impact assessments and contractual requirements with organisations we work with who process our personal data.
Financial Sustainability - The risk that there is insufficient revenue income from donations, legacies, grants, and reserves to support our operating model resulting in the failure of the Trust to thrive in a rapidly changing environment.	We continue to monitor the funding situation and adjust our financial planning and commitments accordingly to ensure we are financially resilient.
Safeguarding - The risk is that we fail to provide a safe environment, free from abuse, for everyone, including vulnerable beneficiaries.	We continue to maintain clear policies and procedures in relation to safeguarding and ensure the appropriate screening, training, and supervision of personnel. A subcommittee of RMC - the Territorial Safeguarding Committee - oversees management of the risk.

Safe Mission - The risk is that we are not able to ensure the health, safety and welfare of personnel, service users and members of the public who are affected by our activities.	Comprehensive policies, procedures, and guidance are in place, alongside a supervisory control framework. Two RMC subcommittees - the Safe Mission Council and the Sudden Deaths Review Group - inform the management of this risk.

RECRUITMENT AND APPOINTMENT OF DIRECTORS

There are 14 directors of Salvation Army Trustee Company ('SATCo', the sole trustee of The Salvation Army Social Work Trust), eight by virtue of their appointments within The Salvation Army. One director is a divisional leader responsible for one of The Salvation Army's 14 divisions.

The other five directors are non-executive, each bringing expertise in a relevant field, as approved by The General - including property, finance, investments, or social services. The appointment of non-executive directors is made by SATCo on the recommendation of the Nominations Committee.

Training and Induction of Directors

The Company Secretary briefs new directors on their legal responsibilities and familiarises them with the Company's governance folder (and previous Board Minutes). This includes the articles of association of SATCo, the Charity Commission's essential trustee guidance, and other key documents and policies (including the Conflicts of Interest Policy). The Company Secretary regularly delivers a written governance update on relevant issues at each board meeting. Directors are also informed of and provided with the opportunity to attend several training sessions throughout the year.

Organisational Structure and Decision Making

SATCo's board ('the Board') is assisted by, an Audit Committee, a Nominations Committee, an Investment Advisory Committee, and a Risk Management Committee. The Audit Committee comprises a non-executive director chair and up to three independent members with a remit to review The Salvation Army's internal and external audit arrangements and consider reports issued by internal and external auditors including the annual financial statements. The role of the Nominations Committee is to recommend new non-executive Board members. The Investment Advisory Committee includes three external advisers in its membership and advises on appropriate investments. The Risk Management Committee's role is outlined above under Risk Management.

The Board met bi-monthly during the year, with some additional meetings scheduled as required in this reporting year. In addition to its oversight and governance role, the following matters require consideration and approval by the Board:

- annual budget
- individual items of expenditure of £5 million and above
- investment policy, on the recommendation of the Investment Advisory Committee
- Risk Register
- Key Policies
- Annual Financial Statements

The Board has delegated day to day operational matters to the Territorial Operations Board, under the leadership of the Chief Secretary.

The Internal Audit department periodically reviews SATCo's performance against the Charity Governance Code. The Internal audit department carried out a review in the period to 31 March 2024 and identified a number of minor improvements in line with best practise which SATCO acknowledge and will implement in the forthcoming Internal Audit review period.

Trustee's Responsibilities

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales/Scotland/Northern Ireland requires the Trustee to prepare financial statements for each financial year which 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 of the group for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. 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 financial statements are published on The Salvation Army website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of The Salvation Army's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Public Benefit

The Trustee confirm that they have given due consideration to the Charity Commission's published guidance on the public benefit requirement under the Charities Act 2011.

We believe that in delivering public benefit we are effective because we bring the breadth of our capabilities to bear on the complex challenges being faced by our vulnerable clientele: the homeless, the oppressed through human trafficking, the elderly, and a suite of other community-focused activities. The organisation's strategy sets out how we meet those challenges to make a difference over the current decade and beyond. Find out more in the sections 'Summary of what The Social Army Social Work Trust does,' 'In the Frontline Against Modern Slavery,' 'Giving Homeless People Help and Understanding,' 'Wider Work in Our Communities' and 'Looking Forward as a Movement.'

Remuneration of Key Management

Key management personnel of The Salvation Army comprise Salvation Army Officers and employees. Active Salvation Army Officers do not receive a salary; instead, they receive an allowance based on

length of service and seniority of position and, as ministers of religion, are provided with furnished accommodation and a motor vehicle. The allowances received by officers in positions of key management range from £19,377.96 to £25,471.57 per annum. Further information is disclosed in Note 10 and 11 to the Accounts.

For employees, we are committed to ensuring a proper balance between paying salaries which will enable us to attract and retain staff of the appropriate calibre and careful stewardship of charitable funds. All senior salaries are benchmarked against senior staff salaries of comparable organisations in the not-for-profit sector.

A handwritten signature in blue ink, appearing to read 'P. Kingsley'.

On behalf of the Directors of The Salvation Army Trustee Company
19 May 2025

DIRECTORS

The current directors of The Salvation Army Trustee Company and those who held office during the financial year are as follows:

Commissioner Anthony Cotterill	(until 31.12.23)
Commissioner Paul Main	Chair
Commissioner Jenine Main	(until 31.12.23)
Colonel Peter Forrest	Deputy Chair (appointed 19.01.24)
Lieut-Colonel Nicholas Coke	(appointed 05.07.24)
Lieut-Colonel Mark Herbert	
Lieut-Colonel Paul Kingscott	(appointed 10.05.24)
Lieut-Colonel Andrew McCombe	
Lieut-Colonel Beverley McCombe	
Lieut-Colonel Dean Pallant	(until 30.06.24)
Lieut-Colonel Judith Payne	(until 24.07.24)
Lieut-Colonel Alan Read	(until 01.05.24)
Major Judith Hilditch	(until 30.04.23)
Major Amanda White	(appointed 26.09.24)
Philip Edwards	
Peter Gale	
Aidan Grills	(appointed 10.05.24)
Jennifer Laurent-Smart	(appointed 26.09.24)
Helen O'Brien	
Mark Puller	(until 12.05.23)
Andrew Stickland	

The Chief Secretary, Colonel Peter Forrest, is responsible for the day-to-day management of the charity.

Committee Members (current)

Territorial Operations Board

Colonel Peter Forrest (Chair), Commissioner Jenine Main, Lieut-Colonel Paul Kingscott (until 17.03.24), Major Jane Cowell, Lieut-Colonel David Shakespeare, Major Mike Lloyd-Jones, Major Julian Watchorn, Major Richard Waters, Tony Daniels (until 04.09.24), Miguel Fiallos, Peter Grant, Mitch Menagh (until 04.09.24), Alex O'Hara, Nick Redmore, *Major Pam Pitt (appointed 01.07.24)*, *Major Kerry Coke (appointed 18.09.24)*, Major Kathy Betteridge (appointed 18.09.24), Polly Hughes (appointed 18.09.24), Julius Wolff-Ingham

Audit Committee

Andrew Stickland (Chair), Mike Grills, Stephen Bright, Hannah Greenfield (until 21.11.24)

Investment Advisory Committee

Peter Gale (Chair), Lieut-Colonel Alan Read (retired 01.05.24), Marcel Schuster, Mary Haly, Daniel Wills, Mark Chaloner, Philip Rotheram (until 30.11.23), Lieut-Colonel Paul Kingscott (appointed 18.04.24)

Nominations Committee

Commissioner Paul Main, Colonel Peter Forrest, Lieut-Colonel Alan Read (until 01.05.24), Elliot Thomas, *Lieut-Colonel Paul Kingscott (appointed 18.04.24)*

Risk Management Committee

Helen O'Brien (Chair), Lieut-Colonel Drew McCombe (ex-officio), Lieut-Colonel Beverley McCombe (ex-officio), Lieut-Colonel Dean Pallant (until 30.06.24), Lieut-Colonel Alan Read (retired 01.05.24), Lieut-Colonel David Shakespeare, Major Kerry Coke, Major Sarah Price, Major Howard Russell (until 23.10.24) , Daniel Wills, Elliot Thomas, Julius Wolff-Ingham, Lynette Sturgeon, Matthew Saxon, Lieut-Colonel Nick Coke (ex-officio) (appointed 01.07.24), Lieut-Colonel Paul Kingscott (ex-officio) (appointed 18.04.24), Lieut-Colonel Jonathan Roberts (appointed 01.09.24)

Company Secretary

Elliot Thomas is Company Secretary of The Salvation Army Trustee Company.

ADVISERS

Bankers

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

Auditors

Crowe U.K. LLP, Statutory Auditor, Chartered Accountants, 55 Ludgate Hill, London EC4M 7JW

Solicitors

England and Wales: Slaughter and May, 1 Bunhill Row, London EC1Y 8YY

Scotland: Blackadders, 5 Rutland Square, Edinburgh EH1 2AX

Investment Advisers

BWCI Consulting Limited, PO Box 68, Albert House, South Esplanade, St Peter Port, Guernsey GY1 3BY

Investment Managers

Cazenove Capital Management, 12 Moorgate, London EC2R 6DA

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

Legal & General Investment Ltd, One Coleman Street, London, EC2R 5AA

INDEPENDENT AUDITORS REPORT TO THE TRUSTEE OF THE SALVATION ARMY SOCIAL WORK TRUST

Opinion

We have audited the financial statements of The Salvation Army Social Work Trust ('the charity') and its subsidiary ('the group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2024 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of The Salvation Army Act 1980, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in

the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustee

As explained more fully in the trustee's responsibilities statement set out on page 41, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee 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 trustee is responsible for assessing the group's and the 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 trustee either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists and significant component audit teams. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operate, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Salvation Army Act 1980, General Data Protection Regulation (GDPR), CQC Regulations for service providers and managers, Health and Social Care Act, taxation legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustee and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of contract and grant income and centres' resident charges income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, legal counsel and the Audit Committee about their own identification and assessment of the risks of irregularities, designing audit procedures over contract and grant income and centres' resident charges income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, OSCR, CQC and reading Minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP.

Crowe U.K. LLP
Statutory Auditor
London

Date: 22 May 2025

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

Crowe U.K. LLP is eligible for appointment as auditor of the charity under regulation 10(2) of the Charities Accounts (Scotland) Regulations by virtue of its eligibility under section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 March 2024

	Note	Endowments	Restricted	Unrestricted	2024 Total	2023 Restated Total
		£000	£000	£000	£000	£000
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies						
Grants receivable from: The Salvation Army Trust		-	-	29,698	29,698	22,373
Donations		-	796	623	1,419	2,268
Legacies		-	1,358	-	1,358	871
		-	2,154	30,321	32,475	25,512
Charitable Activities						
Centres' operations	3	-	281	90,470	90,751	79,775
Other social operations	4	-	91	86,785	86,876	77,864
Housing Association turnover	12	-	27,525	-	27,525	23,303
		-	27,897	177,255	205,152	180,942
Investments	5	-	260	3,171	3,431	1,850
Other						
(Loss)/Gains on disposal of fixed assets		-	(1,098)	-	(1,098)	29,068
TOTAL INCOME		-	29,213	210,747	239,960	237,372
EXPENDITURE ON:						
Raising Funds						
Investment management costs		-	-	50	50	50
		-	-	50	50	50
Charitable Activities						
Centres' operations	6	-	5,723	108,665	114,388	105,328
Other social operations	7	-	176	90,652	90,828	83,436
Housing Association operating costs	12	-	26,305	-	26,305	24,040
		-	32,204	199,317	231,521	212,804
TOTAL EXPENDITURE	9	-	32,204	199,367	231,571	212,854
Net Gains on Investments		2,185	3,306	14,676	20,167	1,176
NET INCOME/(EXPENDITURE)		2,185	315	26,056	28,556	25,694
Transfers between Funds	22/23	-	7,504	(7,504)	-	-
Actuarial (Losses) on Defined Benefit Pension Schemes	121	-	(501)	-	(501)	(501)
NET MOVEMENT IN FUNDS		2,185	7,318	18,552	28,055	25,193
RECONCILIATION OF FUNDS:						
Total Funds brought forward		16,825	244,001	154,139	414,965	389,772
TOTAL FUNDS CARRIED FORWARD		19,010	251,319	172,691	443,020	414,965

All income and expenditure has arisen from continuing activities. Detailed comparative information is provided in note 30. Notes 1 to 30 form an integral part of these accounts.

BALANCE SHEET

AS AT 31 March 2024

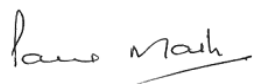
	Note	Group		Parent	
		2024	2023	2024	2023
		£000	Restated £000	£000	Restated £000
FIXED ASSETS					
Tangible Fixed Assets					
Properties	13	183,728	182,450	66,835	66,700
Property schemes in progress	14	1,520	2,682	1,443	2,605
Motor vehicles and equipment	15	1,441	968	88	164
Investments	16	199,321	179,190	162,821	145,691
TOTAL FIXED ASSETS		386,010	365,290	231,187	215,160
CURRENT ASSETS					
Stocks		206	208	206	208
Debtors	17	87,314	28,346	84,658	26,172
Short-term deposits		8,027	44,077	8,027	44,077
Cash at bank		23,866	29,703	19,510	23,336
		119,413	102,334	112,401	93,793
CREDITORS: Amounts falling due within one year	18(a)	(43,743)	(32,727)	(31,609)	(23,374)
NET CURRENT ASSETS		75,670	69,607	80,792	70,419
TOTAL ASSETS LESS CURRENT LIABILITIES		461,680	434,897	311,979	285,579
Creditors: Amounts falling due outside one year	18(b)	(15,799)	(17,081)	-	-
Defined Benefit Pension Scheme Liability	11	(2,861)	(2,851)	-	-
TOTAL NET ASSETS		443,020	414,965	311,979	285,579
FUNDS					
Endowment Funds	21	19,010	16,825	19,010	16,825
Restricted Funds	22	251,319	244,001	120,278	114,615
Unrestricted Funds	23	172,691	154,139	172,691	154,139
TOTAL FUNDS	24	443,020	414,965	311,979	285,579

Notes 1 to 30 form an integral part of these accounts.

Approved on behalf of The Salvation Army Trustee Company on 19 May 2025 by:



Lieut-Colonel Paul Kingscott (Director)



Commissioner Paul Main (Director)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 March 2024

	Note	2024 £000	2024 £000	2023 £000	2023 £000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net Cash (used in)/provided by operating activities	25		(32,671)		23,176
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment and rental income		3,431		1,850	
Additions to properties		(7,177)		(4,028)	
Additions to motor vehicles and equipment		(748)		(721)	
Additions to property schemes in progress		(5,732)		(2,191)	
Additions to investments		-		(14,603)	
Proceeds on disposal of properties		1,354		35,120	
Net Cash (used in) investing activities			(8,872)		15,427
CASH FLOWS FROM FINANCING ACTIVITIES:					
Interest payable		(1,371)		(473)	
Repayment of loans		(2,473)		(2,163)	
Cash inflow from new loans		3,500		-	
Net Cash (used in) financing activities			(344)		(2,636)
Change in Cash and Cash Equivalents in the year			(41,887)		35,967
Cash and Cash Equivalents at the beginning of the year			73,780		37,813
Cash and Cash Equivalents at the end of the year			31,893		73,780

ANALYSIS OF CHANGES IN NET DEBT

	Balance 1 April 2023 £000	Cash-Flows £000	Net Loan Movements £000	Balance 31 March 2024 £000
Cash at Bank	29,703	(5,837)	-	23,866
Short term deposits	44,077	(36,050)	-	8,027
Total cash and cash equivalents	73,780	(41,887)	-	31,893
Loans falling due within one year	(2,516)	-	(2,309)	(4,825)
Loans falling due after more than one year	(17,063)	-	1,264	(15,799)
	54,201	(41,887)	(1,045)	11,269

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

1. CHARITY INFORMATION

The Salvation Army in the UK is an integrated, yet diverse, organisation that contributes to the betterment of society in the service of God and people. Legally we are structured under two main trusts. These are:

- The Salvation Army Trust (Charity Registration No. 214779 in England and Wales, and SC009359 in Scotland)
- The Salvation Army Social Work Trust (Charity Registration No. 215174 in England and Wales, and SC037691 in Scotland)

These financial statements are for The Salvation Army Social Work Trust ('Social Work Trust,' 'the Trust'). The address of the registered office is 1 Champion Park, London, SE5 8FJ.

2. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements for the Social Work Trust, which have been consistently applied, are as follows:

(a) Basis of Accounting

The accounts (financial statements) have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standards applicable in the UK and the Republic of Ireland and Charity SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS102, The Salvation Army Act 1980, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

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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 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) issued on 16 July 2014 rather than the previous Statement of Recommended Practice: Accounting and Reporting by Charities which was effective from 1 April 2005 but which has since been withdrawn.

Social Work Trust meets the definition of a public benefit entity under FRS 102.

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

(b) Prior year restatement

A number of prior year adjustments have been identified due to error or incorrect application of our accounting policies. The impact of the prior year adjustments has increased prior year reserves from £410m to £415m. More detailed descriptions of each adjustment are included within Note 29.

(c) Going Concern

The Trust has felt the financial impact of global economic factors, particularly the high inflation rates on our cost base plus the related cost of living crisis. At the time of writing the Bank of England projections indicate that inflation will rise to 3.7% and expected to fall back to the 2% target after that, but this remains a watching brief with the current instability arising through the trade tariffs being imposed by the USA. The organisation anticipates that the trading environment will continually be challenging. The Trust has a significant contract with the Home Office, £76.0m (2023: £65.6m) which supports the Anti-Human Trafficking Programme. This

equates to 87.5% of the Other Social Operations income stream, and should this contract be terminated; it would also mean that £82.2m expenditure (2023: £73.4m) would no longer be incurred. The Trust could continue to operate without a significant impact upon other service deliverables.

Financial projections and other supporting financial models that detail potential financial impacts upon the Social Work Trust, are reviewed on a regular basis by the operational boards as well as further scenario planning to assess the potential short, medium, and long-term financial implications of other risks and opportunities. Albeit this is currently undertaken on a lower-level scale.

looking ahead, we plan to better utilise the financial reserves to support the organisation and where necessary invest in strategic priorities. This financial year, 2023-24 saw us continuing to spend on our strategic aims and utilising reserves to do this where possible. The closing unrestricted reserves were £173m (2023: £154m) and the cash and bank balances were £23.9m (2023: £29.7m). Given that there are daily bank monitoring and cash-flow forecasts undertaken, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of these financial statements and are not aware of any material uncertainties that may adversely affect the organisation. Accordingly, the financial statements will continue to be prepared on the going-concern basis.

(d) Basis of Consolidation

Social Work Trust has one subsidiary entity, the Salvation Army Homes ('SAH'). SAH is a charitable provider of supported housing and support services across England, registered under the Co-operative and Community Benefit Societies Act 2014 (registration no. 15210R) and is also registered with the Regulator of Social Housing (registration no. LH 2429). SAH has one active subsidiary, Kingsown Property Limited, and one dormant subsidiary, SAH Developments Limited, whose results are consolidated in the SAH financial statements. The accounts of The Salvation Army Social Work Trust consolidate SAH's accounts using the acquisition method. The Statement of financial activities (SOFA) and balance sheet consolidate, on a line-by-line basis, the financial statements of the Trust and its subsidiary undertakings. The Trust has taken advantage of the exemption in FRS102 from the requirement to prepare a charity-only cash flow statement and certain disclosures about the Trust's financial statements.

(e) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, Directors of the sole trustee are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

(i) Bad debt provision

Gross debtor balances are reviewed monthly by management and where they assess that there is sufficient doubt as to recoverability a percentage of provision is made where necessary. Accommodation charges outstanding are reviewed on a line-by-line basis and the provision is based on a number of factors including the age of the debt, value, and the socio-economic situation of the debtor under review.

(ii) Defined Benefit Obligation

The Salvation Army Social Work Trust contributes to the underlisted defined benefit pension or similar schemes in respect of its staff:

- The Salvation Army Officers' Pension Fund relating to Salvation Army Officers
Contribution levels are based on a number of critical underlying assumptions such as post and pre-retirement discount rates, rates of increase in allowances and pensions as well as the rate of inflation. The Fund has a funding surplus; no deficit funding provision is required although variation in these assumptions may significantly impact the surplus (as analysed in Note 11(i)).
 - The Salvation Army Employees' Pension Fund.
This is a multi-employer defined benefit scheme. Managements' estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as post and pre-retirement discount rates, rates of increase in allowances and pensions as well as the rate of inflation. The scheme has a funding surplus; no deficit funding provision is required although variation in these assumptions may significantly impact the surplus (as analysed in Note 11(ii)).
 - The Salvation Army Homes participates in the Social Housing Pension Scheme, a multi-employer defined benefit scheme.
Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 11). The group net defined benefit pension obligation at 31 March 2024 was £2,861,000 (2023: £2,851,000).
- (iii) **Identification and valuation of investment properties**
Social Work Trust's property portfolio is reviewed annually to identify investment properties, which are those properties held to earn income or for capital appreciation rather than to be used for its charitable purposes. Properties no longer used for charitable purposes but retained until market conditions allow their disposal are not treated as investment properties, provided disposal is intended within a three-year window. If disposal does not occur within this period and the property is not re-engaged for charitable purposes, it is reclassified to investment property.
- After initial recognition, investment property is measured at its fair value which is determined by members of staff with relevant experience and qualifications, and the valuation is performed using open market data for comparable properties. The property will be valued at each subsequent reporting date.
- (iv) **Contractual Income Obligations**
Contractual income streams both restricted and unrestricted are controlled, monitored and reported upon against the respective contracts. In the unlikely event that a contractual term requires a repayment of funds, this is deducted from income in the SOFA and the confirmed amount repayable is recorded as a creditor, with any further unconfirmed amount that it is possible may need to be repaid disclosed as a contingent liability.
- (f) **Income**
All income is included in the SOFA when the Trust is entitled to the income, receipt is probable, and the amount can be measured reliably. Income includes:
- (i) **Donations and Legacies:** Donations are accounted for when received. No amounts are included in the financial statements for services by volunteers. Gift Aid receivable is included as income when the donation is made and where there is valid Gift Aid declaration from the donor.
Legacies income is recognised when it satisfies the following criteria:
- a) There is sufficient evidence of a legacy having been left to the Trust based on probate having been granted before the year end;
 - b) The Trust has been notified and has a reasonable estimate of the amount due. For residuary legacy interests, the Trust has received the confirmation of sufficient assets in the estate, in the form of either a summary of the estate from Smees & Ford or an assets and liabilities statement or estate accounts; and there are no known outstanding disputes. For all other types of legacy interests, the Trust has a reasonable estimate of

the amount due. In each case this information is notified to the Trust by the date of signing the accounts;

- c) Where a legacy is subject to the interest of a life tenant, the income will not be recognised until the death of the life tenant; and
- d) Measurement of legacy income due from a residuary estate is exposed to inherent uncertainties represented by property and other investments whose value is subject to market fluctuations until realised. Additionally, professional administrative fees are incurred during an estate administration until final distribution. The Trust recognises these uncertainties by using the latest available estate valuation information and allowing for these fluctuations by applying a discount provision against income of between 5% and 20% per estate, based on the individual circumstances of each estate. This estimate has been revised during the current year to reflect management's best estimate of final estate values to be received.
The estimated value of legacies notified, but neither received nor included in income, is £0.6m.

- (ii) **Grants including Government grants** are recognised when they are receivable providing that any conditions attached to the grants have been fulfilled. Where, at the balance sheet date, conditions remain unfulfilled, the grants are deferred pending satisfaction of these conditions. Grants received in advance of entitlement conditions being met are deferred on the balance sheet. If amounts are receivable for specific purposes, the income is shown as restricted.
- (iii) **Investment Income:** Dividends, interest and rent from investment properties are recognised in the year for which they are received or receivable.
- (iv) **Realised gains on disposal of assets** are reflected in the Statement of Financial Activities in the year of disposal. Profits on disposal of investments are calculated by reference to the asset's carrying value.
- (v) **Maintenance and Special Care Allowance** is recognised on an accruals basis when legal entitlement exists, receipt is probable, and the amount can be quantified with reasonable accuracy.

(g) **Expenditure**

Expenditure is charged on the accruals basis when a legal or constructive obligation arises, and when the amount can be measured reliably. Irrecoverable Value Added Tax is charged to the related expenditure. Total expenditure includes:

- (i) **Raising Funds:** This includes costs of managing the Trust's financial investments, recognised in the period the costs relate to on an accruals basis.
- (ii) **Charitable Activities:** Costs reflect all expenditure relating directly to the charitable objects of the Trust, adding attributable overheads and an allocation of governance costs. Attributable overheads are allocated over the range of charitable activities on an actual basis where possible, otherwise on a basis which is consistent with the utilisation of resources.
- (iii) **Governance Costs** reflect the costs incurred under the governance arrangements of the charity which consist of the costs of complying with legislation including audit, legal services, and strategic planning. Support costs have been apportioned to each category of expenditure: number of Full-Time Equivalent staff, equipment per headcount, transactions, and buildings per cost centre.
- (iv) **Support costs:** Items which cannot be attributed fully to Charitable Activities, Raising Funds or Governance have been apportioned to each category of expenditure based on the most relevant measure out of number of Full-Time Equivalent staff, equipment per headcount, transactions per cost centre, or buildings per cost centre.

(h) **Pension and Similar Costs**

The Salvation Army Social Work Trust contributes to three pension or similar schemes in respect of its staff:

- The Salvation Army Officers' Pension Fund relating to Salvation Army Officers;
- The Salvation Army Employees' Pension Fund; and
- The Salvation Army Employees' Defined Contribution Scheme, a defined contribution scheme.

The Salvation Army Officers' Pension Fund was established by The Salvation Army Act 1963 under the legal name, The Salvation Army Officers Pension Fund. It is a registered charity and retirement benefits are not guaranteed and are paid at the discretion of the Board of the Fund. It is non-contributory and has historically been funded by Salvation Army trusts (including The Salvation Army Trust and The Salvation Army Social Work Trust); however, there have been no payments made to the Fund during the current year. Officers that serve in the principal Trusts (The Salvation Army Trust and The Salvation Army Social Work Trust) may receive a retirement allowance from the Fund in the future, although, it is not possible to allocate the assets and constructive liabilities of the Fund between the Trusts. Therefore, the Fund is accounted for in a similar way as a multi-employer pension fund.

The Salvation Army Employees' Pension Fund is a defined benefit scheme. The Trust is not the only participating employer in the Fund and it is unable to determine its share of the underlying assets and liabilities on a consistent and reasonable basis. This is because contributions paid into the Fund have not been invested separately from those paid by other employers participating in the Fund. As such, no separate fund is identifiable in respect of the Trust. To determine a current fund for each participating employer it would be necessary to separately account for contributions, benefit payments and investment returns for each participating employer.

Under the terms of the Fund, the assets and liabilities are pooled amongst the participating employers. If a participating employer were to cease to participate then that employer would be required to pay a debt, via a Section 75 Debt, to fully fund their share of the Fund's liabilities. The Trust would not be liable for another employer's debt but has an option to assume responsibility under an apportionment arrangement.

The Fund closed to the future accrual of pensionable service with effect from 30 April 2023 and therefore regular employer contributions ceased on this date.

A full actuarial valuation of the Fund was carried out at 31 March 2021 by the Fund Actuary. The valuation disclosed a past service surplus of £2.5m.

An update of the funding position as at 31 March 2024 was carried out by the Fund Actuary. This showed that the past service surplus had increased from £2.5m to a surplus of £65.5m on the 2021 valuation basis.

Since 1 January 2012, employees joined The Salvation Army Employees' Defined Contribution Scheme.

In addition, Salvation Army Homes participates in three pension or similar schemes in respect of its staff.

The Salvation Army Homes (SAH) participates in the following pension schemes:

- (i) Social Housing Pension Scheme, a multi-employer defined benefit scheme. Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses. The net defined benefit pension obligation at 31 March 2024 was £2,861,000.
- (ii) The auto-enrolment SHPS defined contribution pension scheme, the contributions on which are charged when payments to the pension scheme fall due.
- (iii) The Pension Trust Growth Plan, a multi-employer defined benefit scheme. The pension charge represents the amounts payable by the company to the scheme in respect of the year. In the past, this scheme included a defined benefit element as the pensions were index linked, so where there is a contractual obligation to make payments under a deficit reduction plan in respect of the

former defined benefit element of the scheme, this has been recognised as a liability in full in the financial statements.

(i) **Fixed Assets**

- (i) **Expenditure on the acquisition or improvement of property** is reflected as a fixed asset, whereas costs of repairs and renewals to property are charged to the Statement of Financial Activities. The non-capital element of property schemes is written off in the year in which costs are incurred.

All properties are disclosed at cost less accumulated depreciation other than SAH properties at the dates of acquisition (19 January 2011 and 2 March 2017) which were brought into account at those dates at fair values (being an existing use social housing valuation (EUV - SH) prepared by independent chartered surveyors). These properties are subsequently depreciated at the rates indicated below.

- (ii) **Expenditure on the acquisition of vehicles** is capitalised and expenditure on computer equipment and other office equipment which exceeds £15,000 in value is capitalised and depreciated over its economic life. Any equipment acquired at centres is written off in the year of acquisition.

- (iii) In accordance with FRS 102 component accounting has been adopted for freehold and long leasehold properties. A property comprises of major components with different useful lives. Depreciation is charged on major components so as to write off the cost of the components to their residual values, over their estimated useful lives, using the straight-line method, as follows

Freehold Land	Not depreciated
Building - Main Fabric (structure)	50 years

Major Components

Roof structure and covering	50 years
Bathrooms and WCs	20-30 years
Lifts	25 years
Mechanical and Electrical Systems	25 years
Windows and External Doors	25 years
Kitchens	20 years

Short leasehold properties are depreciated over the term of the lease.

- (iv) Depreciation is provided on other tangible fixed assets at the following rates:

Motor Vehicles	- 3-4 years
Office Equipment	- 3-10 years

- (v) The Social Work Trust has achieved partnership status with the Homes England which means that it can access capital funds from this source to assist with the costs of schemes. SAH has always been able to access this funding. Grants arising are credited to restricted income except where the income is subject to certain restrictions which remain unfulfilled at the accounting reference date, in which case the income is deferred. A proportion of the depreciation charge arising on the properties concerned is charged against these restricted funds.

(j) **Investments and Investment Properties**

To comply with the Charities SORP, investments are included at fair value (their market value bid price). Realised gains on investments are calculated as the difference between sales proceeds and the market value of those investments at the beginning of the accounting period.

The Salvation Army Social Work Trust holds some investment properties, and its subsidiary SAH owns properties held for market rent or commercial lettings and these are included as investment properties and are recorded at fair value with changes in the market value reported annually in the statement of financial activities. The fair value of the investment property is determined by

members of staff with relevant experience and qualifications. For residential properties, the desktop valuation is based on comparable properties in the local area. The data is collected from property portal sites like Rightmove and Zoopla and supported by data of sold and completed properties from HM Land Registry. A valuation by an independent valuer was not performed

(k) **Stocks**

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

(l) **Cash and short-term deposits**

Cash include cash in hand, deposits with banks and funds that are readily convertible into cash at, or close to, their carrying values, but not held for investment purposes. Short-term deposits are amounts not accessible for a period of up to 3 months.

(m) **Funds**

(i) **Endowments consist of** permanent endowments and expendable endowments. The capital of permanent endowments must by law be retained. Expendable endowments are funds where the capital can be maintained or expensed at the discretion of the Trustee. It is the Trustee's current intention that the capital will be maintained.

(ii) **Restricted Funds are held for** restricted purposes, as specified by the donors. All SAH funds are reflected in the consolidated accounts as restricted funds. Social Work Fund represents monies already expended on the acquisition, construction and improvement of freehold and leasehold properties, schemes in progress and unspent funds.

(iii) **Unrestricted Funds include:**

- Designated Reserves held for purposes designated by The Trustee in the exercise of its discretionary powers;
- Unrealised Gains Reserve held to separate unrecognised gains still subject to market risk; and
- General Reserve representing the net assets not designated for specific purposes.

(iv) **Transfers between funds arise** from the sale or purchase of property or the approval of funding for property schemes in progress which are transferred between unrestricted and restricted funds.

(n) **Financial instruments classification**

All financial instruments, including loans, are classified as 'basic.' Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

Financial assets held at amortised cost comprise cash at bank and in hand, together with trade debtors, other debtors, and accrued income. Financial assets held at fair value include investments including investment property, excluding cash held as part of the investment portfolio.

Financial liabilities held at amortised cost comprise trade creditors, other creditors, and accruals.

3. CHARITABLE ACTIVITIES: CENTRE OPERATIONS

	-----2024-----				-----2023-----	
	Maintenance & Special Care Allowance £000	Supporting People £000	Local Authority & Other Grants £000	Catering & Miscellaneous Income £000	Total £000	Total £000
Social Services Centres						
Older People	15,686	-	9	110	15,805	12,922
Single Homeless	11,763	11,193	459	723	24,138	19,908
Family and Children	1,878	2,374	764	356	5,372	4,850
Day Care	-	250	-	43	293	309
Addictions	811	782	32	7	1,632	1,472
Other Non-Residential Programmes	159	1,039	1,523	1,432	4,153	3,285
	<u>30,297</u>	<u>15,638</u>	<u>2,787</u>	<u>2,671</u>	<u>51,393</u>	<u>42,746</u>
Housing Association Centres						
Older People	1,169	-	-	3	1,172	1,084
Single Homeless	24,453	9,901	1,109	416	35,879	33,899
Family and Children	1,063	650	29	47	1,789	1,543
	<u>26,685</u>	<u>10,551</u>	<u>1,138</u>	<u>466</u>	<u>38,840</u>	<u>36,526</u>
Social Enterprise	-	32	44	442	518	503
Total 2024	<u>56,982</u>	<u>26,221</u>	<u>3,969</u>	<u>3,579</u>	<u>90,751</u>	<u>79,775</u>
Total 2023	<u>48,506</u>	<u>25,224</u>	<u>2,772</u>	<u>3,273</u>		<u>79,775</u>

Income of £281,000 (2023: £473,000) is restricted.

£105,000 (2023: £228,000) of government grants, £2,541,000 (2023: £1,987,000) of local authority grants and £971,000 (2023: £557,000) of other grants were received for outsourced services performed by the Trust on behalf of local authorities and other government bodies. There were no unfulfilled conditions relating to these grants. Also see Note 4 for details of other government grants received.

	-----2023-----				
	Maintenance & Special Care Allowance £000	Supporting People £000	Local Authority & Other Grants £000	Catering & Miscellaneous Income £000	Total £000
Social Services Centres					
Older People	12,863	-	7	52	12,922
Single Homeless	9,407	9,610	600	291	19,908
Family and Children	1,498	2,416	480	456	4,850
Day Care	-	235	-	74	309
Addictions	574	736	-	162	1,472
Other Non-Residential Programmes	-	1,108	996	1,181	3,285
	24,342	14,105	2,083	2,216	42,746
Housing Association Centres					
Older People	1,074	-	7	3	1,084
Single Homeless	22,236	10,479	597	587	33,899
Family and Children	854	611	42	36	1,543
	24,164	11,090	646	626	36,526
Social Enterprise	-	29	43	431	503
Total 2023	48,506	25,224	2,772	3,273	79,775

4. OTHER SOCIAL OPERATIONS

	-----2024-----					-----2023-----
	Maintenance & Special Care Allowance £000	Home Office Contract £000	Local Authority & Other Grants £000	Catering & Miscellaneous Income £000	Total £000	Total £000
Employment Plus	-	-	1,272	158	1,430	4,025
Anti-Human Trafficking	-	75,989	174	9,035	85,198	73,594
Defence Services Operations	-	-	-	211	211	186
Family Tracing, Counselling etc	-	-	-	37	37	59
Total 2024	-	75,989	1,446	9,441	86,876	77,864
Total 2023 Restated	-	65,582	3,988	8,294		77,864

Local authority and other grants include £889,000 (2023: £1,565,000) of Employment Services Contracts and £383,000 (2023: £2,407,000) of government grants. There were no unfulfilled conditions relating to these grants.

Prior year Anti-Human Trafficking is restated, refer to note 29 Prior year adjustment.

	-----2023-----				
	Maintenance & Special Care Allowance £000	Home Office Contract £000	Local Authority & Other Grants £000	Catering & Miscellaneous Income £000	Total £000
Employment Plus	-	-	3,976	49	4,025
Anti-Human Trafficking	-	65,582	12	8,000	73,594
Defence Services Operations	-	-	-	186	186
Family Tracing, Counselling etc	-	-	-	59	59
Total 2023	-	65,582	3,988	8,294	77,864

5. INVESTMENT INCOME

	Restricted £000	Unrestricted £000	2024 Total £000	2023 Total £000
Dividends and interest receivable	245	2,509	2,754	1,269
Rents receivable	15	424	439	390
Rental income from investment properties	-	238	238	191
	260	3,171	3,431	1,850

6. ANALYSIS OF CENTRES' OPERATIONS COSTS

	-----2024-----						-----2023-----	
	Salaries & Other Staff Costs £000	Catering, Cleaning & Other Services £000	Other Operating Costs £000	Property & Furnishings £000	Support Costs £000	Governance Costs £000	Total £000	Total £000
Social Services Centres								
Older People	15,265	1,103	868	4,899	2,285	85	24,505	21,155
Single Homeless	14,991	598	5,292	5,408	1,451	374	28,114	22,870
Family and Children	3,712	34	511	888	853	8	6,006	5,803
Day Care Centres	326	4	9	145	116	1	601	639
Addictions	1,460	3	243	431	165	3	2,305	2,131
Other Non-Residential Programmes	4,755	635	1,152	1,870	1,415	12	9,839	8,375
	<u>40,509</u>	<u>2,377</u>	<u>8,075</u>	<u>13,641</u>	<u>6,285</u>	<u>483</u>	<u>71,370</u>	<u>60,973</u>
Housing Association Centres								
Older People	956	109	345	223	250	2	1,885	1,741
Single Homeless	18,538	2,152	9,406	3,883	3,678	173	37,830	39,425
Family and Children	1,099	3	346	513	325	3	2,289	2,058
	<u>20,593</u>	<u>2,264</u>	<u>10,097</u>	<u>4,619</u>	<u>4,253</u>	<u>178</u>	<u>42,004</u>	<u>43,224</u>
Social Enterprise	321	233	81	257	122	-	1,014	1,131
Total Costs 2024	<u>61,423</u>	<u>4,874</u>	<u>18,253</u>	<u>18,517</u>	<u>10,660</u>	<u>661</u>	<u>114,388</u>	<u>105,328</u>
Total Costs 2023	<u>56,216</u>	<u>4,560</u>	<u>15,939</u>	<u>19,048</u>	<u>9,398</u>	<u>167</u>		<u>105,328</u>

Governance costs include external audit fees, exclusive of VAT, of £145,500 (2023: £129,800) for the Trust, £45,200 (2023: £48,400) for SAH and £6,273 (2023: £5,000) for Kingsown Property Limited (subsidiary of SAH).

Non-audit service fees, exclusive of VAT, payable to the auditor were £59,607 (2023: £2,664) for the Trust, £Nil (2023: £17,671) for SAH and £4,418 (2023: £4,041) for Kingsown Property Limited. Fees from 2023 were incurred before the firm became the auditor of the Trust.

£9,293,000 (2023: £2,688,000) of centres' operations costs are funded from restricted funds.

Prior year Analysis of Centres' Operations is restated, refer to note 29 Prior year adjustment

	-----2023-----						
	Salaries & Other Staff Costs £000	Catering, Cleaning & Other Services £000	Other Operating Costs £000	Property & Furnishings £000	Support Costs £000	Governance Costs £000	Total £000
Social Services Centres							
Older People	13,771	1,027	803	3,525	1,997	32	21,155
Single Homeless	12,459	504	4,708	3,512	1,653	34	22,870
Family and Children	3,598	23	373	977	823	9	5,803
Day Care Centres	406	28	4	102	93	6	639
Addictions	1,330	5	89	517	187	3	2,131
Other Non-Residential Programmes	4,462	482	1,024	1,443	950	14	8,375
	36,026	2,069	7,001	10,076	5,703	98	60,973
Housing Association Centres							
Older People	848	107	274	291	218	3	1,741
Single Homeless	17,890	2,163	8,299	7,927	3,083	63	39,425
Family and Children	1,034	2	297	440	282	3	2,058
	19,772	2,272	8,870	8,658	3,583	69	43,224
Social Enterprise	418	219	68	314	112	-	1,131
Total Costs 2023	56,216	4,560	15,939	19,048	9,398	167	105,328

7. OTHER SOCIAL OPERATIONS

	-----2024-----						-----2023-----
	Salaries & Other Staff Costs £000	Catering, Cleaning & Other Services £000	Other Operating Costs £000	Property & Furnishings £000	Support Costs £000	Governance Costs £000	Total £000
Social Services Centres							
Employment Plus	4,905	3	301	79	68	-	5,356
Anti-Human Trafficking	7,304	87	73,652	1,060	35	30	82,168
Defence Services Operations	188	100	29	4	6	-	327
Family Tracing, Counselling etc	1,862	8	1,089	18	-	-	2,977
Total Costs 2024	14,259	198	75,071	1,161	109	30	90,828
Total Costs 2023	14,668	182	66,707	1,098	778	3	83,436

Employment Plus includes a number of matched funding contracts.

Prior year Anti-Human Trafficking is restated, refer to note 29 Prior year adjustment

	-----2023-----						
	Salaries & Other Staff Costs £000	Catering, Cleaning & Other Services £000	Other Operating Costs £000	Property & Furnishings £000	Support Costs £000	Governance Costs £000	Total £000
Employment Plus	6,107	4	58	91	285	-	6,545
Anti-Human Trafficking	6,432	76	65,615	986	287	3	73,399
Defence Services Operations	175	95	33	3	27	-	333
Family Tracing, Counselling etc	1,954	7	1,001	18	179	-	3,159
Total Costs 2023	14,668	182	66,707	1,098	778	3	83,436

8. ANALYSIS OF SUPPORT COSTS

Support Costs consist of:	2024	2023
	£000	£000
Governance	357	404
Communications	132	180
Personnel	2,997	3,216
Business Administration	7,084	6,156
Mission Service Management	199	220
Total	10,769	10,176

Prior year Analysis of Centres' Operations is restated, refer to note 29 Prior year adjustment

9. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs £000	Depreciation £000	Other Costs £000	2024 Total £000	2023 Total £000
Raising funds	-	-	50	50	50
Charitable activities	86,698	5,854	138,919	231,471	212,804
	<u>86,698</u>	<u>5,854</u>	<u>138,969</u>	<u>231,521</u>	<u>212,854</u>

Prior year Charitable Activities are restated, refer to note 29 Prior year adjustment

10. PERSONNEL

	2024 Parent £000	2023 Parent £000	2024 Subsidiary £000	2023 Subsidiary £000	2024 Total £000	2023 Total £000
Allowances and salaries	53,526	50,132	9,055	7,866	62,581	57,998
Social Security costs	4,649	4,457	850	771	5,499	5,228
Pension and similar costs	3,283	3,593	1,130	1,319	4,413	4,912
	<u>61,458</u>	<u>58,182</u>	<u>11,035</u>	<u>9,956</u>	<u>72,493</u>	<u>68,138</u>
Temporary agency staff costs	<u>13,173</u>	<u>11,963</u>	<u>1,032</u>	<u>1,130</u>	<u>14,205</u>	<u>13,093</u>

£2,997k (2023: £3,216k) of staff costs have been paid by SAT and recharged across.

Prior year Allowances and salaries are restated, refer to note 29 Prior year adjustment

Redundancy Costs

Redundancy costs relating to employees in the Social Work Trust, including SAH, amounted to £347,703 (2023: £147,974). Redundancy costs are recognised once a decision to make a post redundant has been communicated to an individual or the workforce.

There are redundancy and termination payment liabilities of £nil for 2024 (2023: £75k)

The average number of officer and employees was:

	2024 Headcount No.	2023 Headcount No.
Trust		
Number of officers	66	77
Number of employees	2,287	2,228
	<u>2,353</u>	<u>2,305</u>
Subsidiary	349	317
Total	<u>2,702</u>	<u>2,622</u>

Higher-Paid Employees

The following indicates the number of the group's employees earning between:

	2024 Parent No.	2024 Subsidiary No.	2024 Total No.	2023 Total No.
£60,001 - £70,000	11	5	16	8
£70,001 - £80,000	4	2	6	6
£80,001 - £90,000	6	4	10	9
£90,001 - £100,000	1	-	1	3
£100,001 - £110,000	1	-	1	4
£110,001 - £120,000	-	-	-	-
£120,001 - £130,000	-	1	1	1
£140,001 - £150,000	-	-	-	1
£160,001 - £170,000	-	1	1	-
	23	13	36	32

The directors of The Salvation Army Trustee Company comprise Salvation Army Officers and other external directors with specialist expertise. All active Salvation Army Officers receive an allowance based on length of service and, as ministers of religion, are provided with furnished accommodation and a motor vehicle. The allowances received by the officers serving as directors ranged from £20,280.32 to £24,939.79 per annum and they did not receive any additional remuneration for their duties as directors. No allowances or salaries paid to any of the directors are charged direct to the Social Work Trust and therefore the cost is not included in the Trust's Statement of Financial Activities but is disclosed in this note.

No expenses were incurred by the directors of The Salvation Army Trustee Company in relation to their role as directors. The costs of indemnity insurance, to protect The Salvation Army Trustee Company directors against claims for neglect or default, were borne by The Salvation Army Trust.

Certain directors of SAH are remunerated. Lieut-Colonel Drew McCombe is a director of both SAH and of The Salvation Army Trustee Company. He is remunerated £4,000 which is donated to The Salvation Army Trust. Mr. Philip Edwards is also a director of both SAH and of The Salvation Army Trustee Company, he is remunerated £652.

Salvation Army Officers who are members of SATCO have eight family members who are officers and are paid an allowance in accordance with The Salvation Army Act. The allowances received by these family members ranged from £4,538.84 to £18,531.47 per annum in 2023/24 (2023: £13,221.89 - £18,112.94)

Key Management Personnel

The key management personnel of the Trust are those persons having authority and responsibility for planning, directing, and controlling the activities of the Trust, directly or indirectly. This is defined by the Trust as the directors of The Salvation Army Trustee Company as the Corporate Trustee of the Trust and the executive directors (officers and employees) of the Trust. The total aggregate remuneration, including employer National Insurance and pension contributions for the year paid to key management personnel during the year was £1,445,473 (£152,730 was paid by Social Work Trust and £1,292,743 was paid by Salvation Army Trust).

11. PENSION AND SIMILAR COSTS

The Salvation Army Social Work Trust may make contributions to three pension or similar schemes in respect of its officers or staff:

- (i) The Salvation Army Officers Pension Fund relating to Salvation Army Officers,
- (ii) The Salvation Army Employees' Pension Fund for other staff, a defined benefit scheme which closed to new members with effect from 31 December 2011 and ceased accruing benefits for existing members on 30 April 2023.
- (iii) The Salvation Army Defined Contribution Pension Scheme,

Salvation Army Homes participates in the Social Housing Pension Scheme

Amounts charged in respect of pension fund contributions for the year are disclosed in Note 10 above.

- **SALVATION ARMY OFFICERS PENSION FUND**

The Salvation Army Officers Pension Fund ('the Fund') was established by The Salvation Army Act 1963 under the legal name, The Salvation Army Officers Pension Fund. It is a registered charity and retirement benefits are not guaranteed and are paid at the discretion of the Board of the Fund. It is non-contributory and is funded by Salvation Army Trusts (including The Salvation Army Trust and The Salvation Army Social Work Trust); however, there have been no payments made to the Fund during the current year. Officers that serve in the principal Trusts (The Salvation Army Trust and The Salvation Army Social Work Trust) may receive a retirement allowance from the Fund in the future, although, it is not possible to allocate the assets and constructive liabilities of the Fund between the Trusts. Therefore, as both Salvation Army Trust and Social Work Trust may contribute to the Fund, it is, for accounting purposes, disclosed and accounted for in a similar way to a multi-employer pension fund.

The Salvation Army Officers Pension Fund was subject to a triennial actuarial review on 31 March 2022, This actuarial valuation indicated that the Fund was in surplus on the funding basis. As such, no additional contributions are currently required to fund a deficit in the Fund. Following this valuation, it was also agreed that regular contributions into the Fund would cease until the next valuation as at 31 March 2025.

The calculations for the FRS102 disclosures have been carried out by running full actuarial calculations as at 31 March 2024 and the disclosures are shown below

The Fund is ordinarily funded by means of regular contributions to cover current retirement benefit accrual, with the rate of contributions determined at each triennial valuation. The funding method currently employed is the Attained Age Method which measures the increase in the funding target relating to future benefits expected to accrue to active Officers over the period to retirement or earlier leaving service. Additional contributions are made to cover any shortfalls that arise following each valuation. The Board of the Fund determine the level of contributions payable to it following agreement with the principal trusts of the Army and the advice of the Fund actuary.

There have been no amendments to the Fund during the year and no dedicated events have occurred.

Obligations for the Salvation Army in respect of the Salvation Army Officers Pension Fund

	31/03/2024 (£)	31/03/2023 (£)
Fair Value of Fund Assets	258,768,460	268,528,652
Present value of funded obligations	(174,685,265)	(175,282,771)
Net overfunding in Fund	<u>84,083,195</u>	<u>93,245,881</u>
Unrecognised assets	0	0
Net Defined Benefit Asset	<u>84,083,195</u>	<u>93,245,881</u>

The amounts recognised in the Expenditure section of the Statement of Financial Activities are as follows:

	31/03/2024 (£)	31/03/2023 (£)
Service cost	3,705,289	6,878,234
Net Interest on Net Defined Benefit liability	(4,382,556)	(625,095)
Expense recognised in expenditure section of statement of financial activities	<u>(677,267)</u>	<u>6,253,139</u>

The Net Interest on Net Defined Benefit Liability item is broken down as follows:

	31/03/2024 (£)	31/03/2023 (£)
Interest on obligation	8,029,346	6,839,381
Interest on assets	(12,411,902)	(7,464,476)
Net Interest on Net Defined Benefit Liability	<u>(4,382,556)</u>	<u>(625,095)</u>

The amounts recognised as Actuarial Gains/(Losses) are as follows:

	31/03/2024 (£)	31/03/2023(£)
Return on assets (not included in interest)	(13,011,008)	(13,024,722)
Actuarial Gains on obligation	3,440,884	87,126,788
Total Amount recognised in Actuarial Gains/(Losses)	<u>(9,570,124)</u>	<u>74,102,066</u>
Cumulative amount of Actuarial Gains recognised	<u>64,531,942</u>	<u>74,102,066</u>
Actual return on Fund assets	<u>(599,106)</u>	<u>(5,560,426)</u>

	31/03/2024 (£)	31/03/2023(£)
Administration expenses paid from Fund	269,829	329,842
Other Items	<u>269,829</u>	<u>329,842</u>

No contributions to the Fund were paid by the Army over the year from 1 April 2023 to 31 March 2024.

No contributions to the Fund are expected from the Army over the next year from 1 April 2024 to 31 March 2025.

Changes in the present value of the Fund's Defined Benefit Liability are as follows:

	31/03/2024 (£)	31/03/2023(£)
Opening Defined Benefit Liability	175,282,771	257,928,853
Service cost	3,705,289	6,878,234
Benefits paid	(8,891,257)	(9,236,909)
Interest on obligation	8,029,346	6,839,381
Experience losses / (gains)	1,322,368	(6,026,198)
(Gains) from changes in assumptions	(4,763,252)	(81,100,590)
Closing Defined Benefit Liability	<u>174,685,265</u>	<u>175,282,771</u>

The weighted average duration of the liabilities of the Fund was 12 years as at 31 March 2024.

Changes in the fair value of Fund assets are as follows:

	31/03/2024 (£)	31/03/2023(£)
Opening fair value of Fund assets	268,528,652	278,505,420
Interest on assets	12,411,902	7,464,476
Return on assets (not included in interest)	(13,011,008)	(13,024,722)
Contributions by employer	0	5,150,229
Benefits paid	(8,891,257)	(9,236,909)
Administration expenses	(269,829)	(329,842)
	<u>258,768,460</u>	<u>268,528,652</u>

The major categories of Fund assets as a percentage of the total are as follows:

	31/03/2024 (%)	31/03/2023(%)
Equities	30.5	0.1
Index Linked Bonds	68.0	93.2
Property	0.0	5.9
Cash	1.5	0.8

All of the Fund's assets have a quoted market price in an active market. The Fund does not hold any property or other assets used by the Army

Principal actuarial assumptions used for the FRS 102 disclosures:

	31/03/2024 (%)	31/03/2023(%)
Discount rate at end of year	4.9	4.7
Discount rate at start of year	4.7	2.7
Inflation	3.5	3.5
Rate of increase in allowances	4.0	4.0

Mortality Assumptions

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements.

The assumptions are that an officer aged 65 will live on average until age 88 if they are male and until age 89 if female.

For an officer currently aged 55 the assumptions are that if they attain age 65 they will live on average until age 88 if they are male and until age 90 if female.

• SALVATION ARMY EMPLOYEES' PENSION FUND

The Trust is a participating employer of the Salvation Army Employees' Pension Fund ("the Fund"), a defined benefit scheme.

A valuation of the Fund for the purposes of these disclosures was carried out at 31 March 2024 by an independent actuary. The major assumptions used by the actuary, together with those used in the previous year, were: -

	31 March 2024	31 March 2023
	% pa	% pa
Discount rate	4.9	4.7
RPI inflation rate	3.5	3.5
CPI inflation rate	3.2	3.2
Rate of increase in pensionable salaries	3.9	4.0
Rate of increase in pension payments	2.3 / 3.3	2.3 / 3.4

The major categories of the Fund's assets as a percentage of the total Fund assets, were as follows:

	31 March 2024	31 March 2023
	%	%
Gilts	47	48
Index-Linked Gilts	44	45
AVC's	2	1
Cash and Net Current Assets	7	6

The following amounts at 31 March 2024 were measured in accordance with the requirements of FRS102.

	£ million
Total market value of assets	199.55
Present value of funded obligations	148.78
Net overfunding in Fund	50.77
Unrecognised assets	(50.77)
Net Defined Benefit Asset	0.00

The Fund operated by the Salvation Army is a defined benefit scheme. However, the Company is not the only participating employer in the Fund and it is unable to determine its share of the underlying assets and liabilities on a consistent and reasonable basis. This is because contributions paid into the Fund have not been invested separately to those paid by other employers participating in the Fund. As such no separate fund is identifiable in respect of the Company. In order to determine a current fund for each participating employer it would be necessary to separately account for contributions, benefit payments and investment returns for each participating employer. Under the terms of the Fund, the assets and liabilities are pooled amongst the participating employers. If a participating employer were to cease to participate then that employer would be required to pay a debt to fully fund their share of the Fund's liabilities. The Company would not be liable for another employer's debt but has an option to assume responsibility under an apportionment arrangement. The Fund closed to the future accrual of pensionable service with effect from 30 April 2023 and therefore regular employer contributions ceased on this date.

A full actuarial valuation of the Fund was carried out at 31 March 2021 by the Scheme Actuary. The valuation disclosed a past service surplus of £2.5m. An update of the funding position as at 31 March 2023 was carried out by the Scheme Actuary. This showed that the past service surplus had increased from £2.5m to a surplus of £65.5m on the 2021 valuation basis.

- **SOCIAL HOUSING PENSION SCHEME (SHPS)**

SAH participates in SHPS, a multi-employer pension scheme which provides benefits to non-associated participating employers. The scheme is classed as a defined benefit scheme in the UK. The scheme is classified as a 'last man standing' arrangement. Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

Under the defined benefit pension accounting approach, the SHPS net deficit as at 1 April 2023 is £2,851k and £2,861k as at 31 March 2024.

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET/(LIABILITY)

	2024	2023
	£000	£000
Fair value of plan assets	12,222	12,287
Present value of defined benefit obligation	(15,083)	(15,138)
Surplus/(deficit) in plan	(2,861)	(2,851)
Deferred tax	-	-
Net defined benefit asset/(liability) to be recognised	(2,861)	(2,851)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	2024 £000	2023 £000
Defined benefit obligation at start of period	15,138	21,340
Expenses	14	13
Interest expense	726	584
Actuarial losses/(gains) due to scheme experience	(43)	188
Actuarial (gains)/losses due to changes in demographic assumptions	(174)	(36)
Actuarial (gains)/losses due to changes in financial assumptions	(35)	(6,173)
Benefits paid and expenses	(543)	(778)
Defined benefit obligation	15,083	15,138

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	2024 £000	2023 £000
Fair value of plan assets at start of period	12,287	18,477
Interest income	602	513
Experience on plan assets (excluding amounts included in interest income) - gain/(loss)	(753)	(6,522)
Contributions by the employer	629	597
Benefits paid and expenses	(543)	(778)
Fair value of plan assets at end of period	12,222	12,287

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2024 was (£151,000) (2023: £6,009,000).

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF FINANCIAL ACTIVITIES

	2024 £000	2023 £000
Expenses	14	13
Net interest expense	124	71
Total expense	138	84

Salvation Army Homes were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these items. The Trustee is seeking clarification from the Court on these items. The Court hearing was scheduled for February 2025 with a judgement known later in 2025, at which time the Trustee will consider the Court's directions. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this potential issue.

DEFINED BENEFIT COSTS RECOGNISED IN OTHER RECOGNISED GAINS AND LOSSES

	2024 £000	2023 £000
Experience on plan assets (excluding amounts included in net interest cost) - gain/ (loss)	(753)	(6,522)
Experience gains/(losses) arising on the plan liabilities	43	(188)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain/(loss)	174	36
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain/(loss)	35	6,173
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain/(loss)	(501)	(501)
Total amount recognised in other recognised gains/(losses)	(501)	(501)

ASSETS

	2024 £000	2023 £000
Global Equity	1,218	229
Absolute Return	477	133
Distressed Opportunities	431	372
Credit Relative Value	400	464
Alternative Risk Premia	388	23
Emerging Markets Debt	158	66
Risk Sharing	715	904
Insurance-Linked Securities	63	310
Property	491	529
Infrastructure	63	1,403
Private Equity	10	-
Private Debt	481	547
Opportunistic Liquid Credit	478	526
High Yield	2	43
Opportunistic Credit	-	1
Cash	241	89
Corporate Bond Fund	-	-
Long-Lease Property	79	371
Secured Income	365	564
Liability-Driven Investment	4,974	5,658
Currency Hedging	(5)	24
Net Current Assets	21	31
Total assets	12,222	12,287

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer. □

KEY ASSUMPTIONS

	2024 % per annum	2023 % per annum
Discount Rate	4.90%	4.87%
Inflation (RPI)	3.15%	3.19%
Inflation (CPI)	2.75%	2.75%
Salary Growth	3.78%	3.75%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies: □

	Life expectancy at age 65 (Years)
Male retiring in 2024	20.5
Female retiring in 2024	23.0
Male retiring in 2044	21.8
Female retiring in 2044	24.4

EMPLOYER PENSION CONTRIBUTIONS

	2024 £000	2023 £000
Defined benefit employer contributions including deficit contributions	629	597
Growth Plan deficit contributions	98	347
Auto-enrolment & SHPS defined contribution including deficit contribution	402	375
	1,129	1,319

The defined benefit pension costs for Salvation Army Homes were £629,261 (2023: £596,860). The pension cost is assessed in accordance with the advice of a qualified actuary using the Projected Unit Fund Method and is not materially different from that arising from the current employer's contribution rate.

THE GROWTH PLAN

Until 2022-23 Salvation Army Homes participated in a multi-employer Growth Plan Scheme. Following the last member leaving the scheme, the plan was considered closed. In 2023-24 90% of the due liability was repaid, amounting to £371,482. There remains a liability of 10% due to be paid.

AUTO-ENROLMENT

As a result of the introduction of pensions 'auto-enrolment' by the Government, the cost of the new defined contribution scheme administered by SHPS was £402,202 (2023: £375,232) covering 328 employees (2023: 305 employees).

12. SALVATION ARMY HOMES TURNOVER AND OPERATING COSTS

By virtue of the governing document of The Salvation Army Homes ('SAH'), The Salvation Army Social Work Trust has effective control of SAH.

The net assets of SAH and its subsidiaries have been consolidated within these accounts. The net assets of the SAH group were, on acquisition, adjusted to fair values.

For the purpose of establishing fair values, SAH's property portfolio was valued by an independent chartered surveyor on an existing use social housing (EUV - SH) basis.

SAH's results, adjusted to reflect The Salvation Army Social Work Trust's accounting policies, were as follows:

	2024		2023	
	£000	£000	£000	£000
Turnover		27,525		23,303
Grants Received		-		-
		<u>27,525</u>		<u>23,303</u>
Operating Costs				
Staff Costs	(11,034)		(9,956)	
Other Costs*	(10,250)		(9,032)	
Interest Payable	(1,371)		(473)	
Property Depreciation	(3,673)		(4,560)	
Tax	<u>23</u>	<u>(26,305)</u>	<u>(19)</u>	<u>(24,040)</u>
Gain/(Loss) on Disposal of Assets (Note 6)		(2,173)		(34)
Gain/(Loss) on revaluation of investment properties (Note 0)		3,000		1,500
Interest Receivable (Note 5)		105		64
Social Housing Pension Scheme (SHPS) Remeasurement of Obligation		-		-
Actuarial Gain/(Loss)		(501)		(501)
		<u>1,651</u>		<u>292</u>

*Other Costs includes temporary agency staff costs of £1,031,858 (2023: £1,130,496)

The prior year SAH - Turnover & other costs are restated, refer to note 29 Prior year adjustment.

13. PROPERTIES

GROUP	Freehold £000	Leasehold £000	Total £000
Cost or Valuation			
Balance at 1 April 2023 (Restated)	202,913	53,254	256,167
Additions during the year	4,810	2,367	7,177
Schemes completed during the year (Note 14)	2,133	-	2,133
	<u>209,856</u>	<u>55,621</u>	<u>265,477</u>
Less: Disposals	(737)	(3,181)	(3,918)
Balance at 31 March 2024	<u>209,119</u>	<u>52,440</u>	<u>261,559</u>
Accumulated Depreciation			
Balance at 1 April 2023 (Restated)	56,087	17,630	73,717
Charge for the year	4,609	970	5,579
Less: Disposals	(195)	(1,270)	(1,465)
Balance at 31 March 2024	<u>60,501</u>	<u>17,330</u>	<u>77,831</u>
Net Book Value at 31 March 2024	<u>148,618</u>	<u>35,110</u>	<u>183,728</u>
Net Book Value at 31 March 2023 (Restated)	<u>146,826</u>	<u>35,624</u>	<u>182,450</u>

Both SAH's portfolio (on 19 January 2011) and, SAH's acquisition, Chapter 1's portfolio (on 23 March 2017) were brought into account at valuation, performed by independent chartered surveyors on an existing use social housing (EUV-SH) basis. All other properties are reflected at cost.

PARENT	Freehold £000	Leasehold £000	Total £000
Cost			
Balance at 1 April 2023	102,311	568	102,879
Additions during the year	474	-	474
Schemes completed during the year	2,133	-	2,133
	<u>104,918</u>	<u>568</u>	<u>105,486</u>
Less: Disposals	(435)	-	(435)
Balance at 31 March 2024	<u>104,483</u>	<u>568</u>	<u>105,051</u>
Accumulated Depreciation			
Balance at 1 April 2023	36,047	132	36,179
Charge for the year	2,091	14	2,105
Less: Disposals	(68)	-	(68)
Balance at 31 March 2024	<u>38,070</u>	<u>146</u>	<u>38,216</u>
Net Book Value at 31 March 2024	<u>66,413</u>	<u>422</u>	<u>66,835</u>
Net Book Value at 31 March 2023	<u>66,264</u>	<u>436</u>	<u>66,700</u>

Prior year Freehold Property is restated, refer to note 29 Prior year adjustment

All properties are used for charitable purposes. The market values of these properties are significantly higher than their book values but the costs of estimating these exceed any benefits accruing.

The Salvation Army, in common with other churches, provides ministers of religion (officers) and retired ministers of religion with accommodation and holds a portfolio of properties to allow it to do so. Occasionally properties are not required immediately to provide accommodation to officers and retired officers and these, where possible, are let on short-term tenancies until required to accommodate officers. The Salvation Army does not consider these properties to be investment properties as their availability for use, other than for the work of the charity, is typically of limited duration.

Prior year carried forward balance restated, refer to note 29 Prior year adjustment.

14. PROPERTY SCHEMES IN PROGRESS

	Group 2024 £000	Parent 2024 £000
Balance at 1 April 2023	2,682	2,605
Additions during the year	<u>5,732</u>	<u>5,732</u>
	8,414	8,337
Property schemes capitalised during the year	(2,133)	(2,133)
Scheme's revenue expenditure	<u>(4,761)</u>	<u>(4,761)</u>
Balance at 31 March 2024	<u>1,520</u>	<u>1,443</u>

Prior year Property Schemes in Progress are restated, refer to note 29 Prior year adjustment

15. MOTOR VEHICLES AND EQUIPMENT

GROUP	Motor Vehicles £000	Equipment £000	Total £000
Cost			
Balance at 1 April 2023	1,458	2,497	3,955
Additions during the year	-	748	748
Disposals	-	(10)	(10)
Balance at 31 March 2024	<u>1,458</u>	<u>3,235</u>	<u>4,693</u>
Accumulated Depreciation			
Balance at 1 April 2023	1,294	1,693	2,987
Charge for the year	76	199	275
Disposals	-	(10)	(10)
Balance at 31 March 2024	<u>1,370</u>	<u>1,882</u>	<u>3,252</u>
Net Book Value at 31 March 2024	<u>88</u>	<u>1,353</u>	<u>1,441</u>
Net Book Value at 31 March 2023	<u>164</u>	<u>804</u>	<u>968</u>
PARENT			
Cost			
Balance at 1 April 2023	1,415	-	1,415
Additions during the year	-	-	-
Disposals	-	-	-
Balance at 31 March 2024	<u>1,415</u>	<u>-</u>	<u>1,415</u>
Accumulated Depreciation			
Balance at 1 April 2023	1,251	-	1,251
Charge for the year	76	-	76
Disposals	-	-	-
Balance at 31 March 2024	<u>1,327</u>	<u>-</u>	<u>1,327</u>
Net Book Value at 31 March 2024	<u>88</u>	<u>-</u>	<u>88</u>
Net Book Value at 31 March 2023	<u>164</u>	<u>-</u>	<u>164</u>

16. INVESTMENTS

FIXED ASSET INVESTMENTS

GROUP AND PARENT	Unlisted £000	Units in CIF 1 £000	Units in CIF 2 £000	2024 Total £000
Cost/Market Value at 1 April 2023	5	3,849	127,383	131,237
Additions	-	-	-	-
Unrealised Gains on investments	-	610	16,318	16,928
Cost/Market Value at 31 March 2024	5	4,459	143,701	148,165

At 31 March 2024, units held in The Salvation Army Common Investment Fund No 1 had a unit value of £3.3037 (2023: £2.8514).

At 31 March 2024, units held in The Salvation Army Common Investment Fund No 2 had a unit value of £4.2358 (2023: £3.7552).

Salvation Army Social Work Trust holds one £1 share and has the power to control Salvation Army Homes (SAH). The Salvation Army Homes is registered with the Co-operative and Community Benefit Societies Act 2014 and is a registered social landlord regulated by The Regulator of Social Housing. SAH itself owns the whole of the issued share capital of Kingsown Limited and SAH Developments Limited, companies incorporated in England. The results and net assets of SAH, Kingsown and SAH Developments have been consolidated within these accounts.

INVESTMENT PROPERTIES

	GROUP		PARENT	
	2024 £000	2023 £000	2024 £000	2023 £000
Balance at 1 April 2023	47,954	46,603	14,454	14,603
Additions during the year	-	-	-	-
Property revaluation – increase/(decrease) in value	3,202	1,350	202	(149)
Balance at 31 March 2024	51,156	47,953	14,656	14,454
Fixed Assets Investments (from above)	148,165	131,237	148,165	131,237
Total Investments	199,321	179,190	162,821	145,691

Prior year Investment Properties Valuation are restated, refer to note 29 Prior year adjustment.

The building named Xenia Hall is held as student accommodation. The year-end valuation of this property is based on its deemed sale price less cost of disposal, which reflects its market value. This property was sold post year end in August 2024.

17. DEBTORS

	GROUP		PARENT	
	2024 £000	2023 £000	2024 £000	2023 £000
Accommodation charges outstanding	2,812	1,687	1,851	934
Trade debtors	10,243	2,714	10,244	2,715
Prepayments and other accrued income	11,515	9,315	10,988	8,667
Connected Salvation Army Trust and Companies	58,372	13,681	58,372	13,681
Amounts owed by group and associated undertakings	-	-	-	-
Taxation recoverable	-	-	-	-
Other debtors	4,372	949	3,203	175
	87,314	28,346	84,658	26,172

Included in amounts owed by connected Salvation Army Trust and companies is £35m bank deposit held by The Salvation Army Trust on behalf of the Social Work Trust.

The Prior year debtors - amounts falling due within one year are restated, refer to note 29 Prior year adjustment.

18. (a) CREDITORS: Amounts falling due within one year

	GROUP		PARENT	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade creditors	12,532	4,114	9,476	1,851
Accruals and deferred Income*	11,891	17,610	7,745	13,343
Other creditors	11,447	6,088	8,219	5,895
Tax and Social Security	2,135	2,373	2,045	2,259
Connected Salvation Army Trusts and Companies	913	26	913	26
Amounts owed to group and associated undertakings	-	-	3,211	-
Bank loans repayable within one year (Note 18(b))	4,825	2,516	-	-
	<u>43,743</u>	<u>32,727</u>	<u>31,609</u>	<u>23,374</u>

The Prior year creditors - amounts falling due within one year are restated, refer to note 29 Prior year adjustment.

* Deferred Income

	Group 2024 £000	Parent 2024 £000
Balance at 1 April 2023	2,396	40
Additions during the year	<u>1,915</u>	<u>285</u>
	4,311	325
Released during the year	<u>(1,867)</u>	<u>(40)</u>
Balance at 31 March 2024	<u>2,444</u>	<u>285</u>

£2.16m deferred income relates to SAH rental income received in advance.

18. (b) CREDITORS: Amounts falling due after more than one year

	GROUP		PARENT	
	2024 £000	2023 £000	2024 £000	2023 £000
Multi-Employer Pension Scheme (note 10(d))	-	18	-	-
Loans repayable between 1 & 2 years	1,330	1,276	-	-
Loans repayable between 3 to 5 years	4,255	3,961	-	-
Loans repayable over five years	10,214	11,826	-	-
	<u>15,799</u>	<u>17,081</u>	<u>-</u>	<u>-</u>

The Prior year creditors - amounts falling due after more than one year are restated, refer to note 29 Prior year adjustment.

Housing loans from private sources are secured by charges on SAH-specific housing properties and are repayable between 2024 and 2044 at varying rates of interest between 4.10% and 7.75%. The Net Book value of these properties at 31 March 2024 is £28.2m.

19. OPERATING LEASE COMMITMENTS

The Group and Parent have future minimum lease commitments under non-cancellable operating leases of:

	GROUP		PARENT	
	2024 £000	2023 £000	2024 £000	2023 £000
Land and buildings				
Within one year	63	161	-	-
One to five years	47	47	-	-
Over five years	15	26	-	-
	<u>125</u>	<u>234</u>	<u>-</u>	<u>-</u>
	GROUP		PARENT	
	2024 £000	2023 £000	2024 £000	2023 £000
Other operating leases				
Within one year	247	206	-	-
One to five years	642	460	-	-
Over five years	20	-	-	-
	<u>909</u>	<u>666</u>	<u>-</u>	<u>-</u>

For both land and buildings, and other operating leases, both lease categories are related solely to SAH. Lease payments of £369k (2023: £398k) were charged to the Consolidated Statement of Financial Activities during the year.

20. OPERATING LEASE - CONTRACTED INCOME

The Group and Parent have future minimum lease income due under non-cancellable operating leases:

	GROUP		PARENT	
	2024 £000	2023 £000	2024 £000	2023 £000
Land and buildings				
Within one year	55	22	55	22
One to five years	157	173	157	173
Over five years	241	280	241	280
	<u>453</u>	<u>475</u>	<u>453</u>	<u>475</u>

21. ENDOWMENTS

GROUP	Balance 1 April 2023 £000	New Funds Received £000	Changes in Market Value of Investments £000	Transfers £000	Balance 31 March 2024 £000
Expendable Endowment					
Xenia Field Capital Fund	14,950	-	1,913	-	16,863
Permanent Endowments					
H.M. Brant	20	-	-	-	20
J.B. Crighton	134	-	22	-	156
Miss M.B. Hill	35	-	-	-	35
C.J. and E.J. Melbourne	79	-	-	-	79
Blackmore Mission	1	-	-	-	1
M.J. Fowler	16	-	-	-	16
R. Pattison	14	-	-	-	14
Leeds Guardian Homes Trust	15	-	1	-	16
E.S. Brant Trust	1,354	-	217	-	1,571
Birmingham Girls Trust	207	-	32	-	239
	1,875	-	272	-	2,147
	16,825	-	2,185	-	19,010

The Expendable Endowment represents the Xenia Field Fund. Whilst the capital and income of the Fund can be expended on social work projects, it is the Trustee's intention that the capital be maintained.

Permanent Endowment funds represent bequests and donations, the capital of which cannot be expended but any income can be applied to social work projects without restriction.

The E.S. Brant Trust was established by a trust deed dated 16 June 1965. The annual income can be applied to the social work of The Salvation Army.

The Birmingham Girls Trust consists of endowment funds transferred from Birmingham City Council, the income on which can be applied for the benefit of girls in distress in the Birmingham area.

All endowment funds are represented by investments in The Salvation Army's Common Investment Funds.

Comparative

GROUP	Balance 1 April 2022 £000	New Funds Received £000	Changes in Market Value of Investments £000	Transfers £000	Balance 31 March 2023 £000
Expendable Endowment					
Xenia Field Capital Fund	14,967	-	(17)	-	14,950
Permanent Endowments					
H.M. Brant	20	-	-	-	20
J.B. Crighton	130	-	4	-	134
Miss M.B. Hill	35	-	-	-	35
C.J. and E.J. Melbourne	79	-	-	-	79
Blackmore Mission	1	-	-	-	1
M.J. Fowler	16	-	-	-	16
R. Pattison	14	-	-	-	14
Leeds Guardian Homes Trust	14	-	1	-	15
E.S. Brant Trust	1,317	-	37	-	1,354
Birmingham Girls Trust	201	-	6	-	207
	1,827	-	48	-	1,875
	16,794	-	31	-	16,825

22. RESTRICTED FUNDS

GROUP

	Balance 1 April 2023 £000	Income £000	Expenditure £000	Other recognised gains/(losses) £000	Transfers From/(to) Unrestricted Reserves £000	Balance 31 March 2024 £000
Social Work Fund	75,920	1,212	(4,932)	-	8,096	80,296
Other Restricted Funds						
Social Work projects including property funding	28,962	1,689	(421)	306	(334)	30,202
Centre specific donations	6,534	1,025	(546)	-	(258)	6,755
Bramwell Arthur William Goodwin	3,233	-	-	-	-	3,233
SAH operations - property purposes	129,352	25,287	(26,305)	2,499	-	130,833
	168,081	28,001	(27,272)	2,805	(592)	171,023
	244,001	29,213	(32,204)	2,805	7,504	251,319

Prior year social work projects including property funding and SAH operations - property purposes are restated, refer to note 29 Prior year adjustment

Other Restricted Funds represents unexpended balances of donations and legacies held on trust which can only be expended in accordance with the specific terms laid down by the donors.

Social Work Fund represents sums already expended on the properties used by The Salvation Army in its social work throughout the United Kingdom.

The Centre specific donations fund represents amounts that have been donated for specific care home activities, either for single or multiyear purposes. This reserve is applied to all cost centres; some of course are more active than the others. It also manages several projects per cost centre at a time.

Bramwell Arthur William Goodwin is a legacy donation to benefit the disabled and blind within the Salvation Army Care Homes in England

All SAH funds are treated as restricted in the group's accounts as these funds are limited to the operations of SAH rather than the wider work of the Social Work Trust. Transfers between funds arise from the sale or purchase of property or the approval of funding for property schemes in progress which are transferred between unrestricted and restricted funds.

Comparative

GROUP

		Income				
	Balance 1 April 2022 £000	£000	Expenditure £000	Other recognised gains/(losses) £000	Transfers From/(to) Unrestricted Reserves £000	Balance 31 March 2023 £000
Social Work Fund	81,262	29,102	(5,068)	-	(29,376)	75,920
Other Restricted Funds						
Social Work projects including property funding	28,886	2,132	(2,778)	-	722	28,962
Centre specific donations	5,731	1,280	(545)	-	68	6,534
Bramwell Arthur William Goodwin	3,233	-	-	-	-	3,233
SAH operations - property purposes	129,096	23,303	(24,040)	993	-	129,352
	166,946	26,715	(27,363)	993	790	168,081
	248,208	55,817	(32,431)	993	(28,586)	244,001

23. UNRESTRICTED FUNDS

GROUP	Balance 1 April 2023 Restated £000	Income		Other recognised gains/(losses) £000	Transfers From/(to) Restricted Reserves £000	Balance 31 March 2024 £000
		£000	Expenditure £000			
General Reserves	15,489	210,550	(199,359)	-	(5,949)	20,731
Unrealised Investment Gains	85,493	-	-	14,676	-	100,169
	100,982	210,550	(199,359)	14,676	(5,949)	120,900
Designated Reserves						
Property Purposes	48,593	197	(8)	-	(1,555)	47,227
Vehicles	1,497	-	-	-	-	1,497
Social Work projects	3,067	-	-	-	-	3,067
	53,157	197	(8)	-	(1,555)	51,791
	154,139	210,747	(199,367)	14,676	(7,504)	172,691

Prior year General and Designated Property Purposes reserves are restated, refer to note 29 Prior year adjustment

The General Reserve is required to fund the day-to-day needs of The Salvation Army Social Work Trust. The Unrealised Investment Gains Reserve is held to separate unrecognised gains still subject to market risk.

Unrestricted Funds include designated reserves which have been set aside by the Trustee for specific purposes. Designated funds are kept under review by SATCO to ensure their purpose remains in the medium term.

- Property purposes: the reserve includes Property Sold Reserve where money is set aside to spend on future property projects determined by the directors, and the Major Component Replacements Reserve which holds funds required for upcoming major spends.
- Vehicles: the reserve holds the value of vehicles to acknowledge the future spend required to maintain the fleet. These funds are currently being reviewed.
- Social Work projects: these reserves hold funds required for specific programmes and initiatives directed by the board. Historically these funds are not utilised on an annual basis and the use is currently being reviewed.

Comparative

GROUP

	Balance 1 April 2022 £000	Income £000	Expenditure £000	Other recognised gains/(losses) £000	Transfers from/(to) Restricted Reserves £000	Balance 31 March 2023 £000
General Reserves	15,402	181,437	(179,573)	-	(1,777)	15,489
Unrealised Investment Gains	85,841	-	-	(348)	-	85,493
	101,243	181,437	(179,573)	(348)	(1,777)	100,982
Designated Reserves						
Property Purposes	18,972	107	(849)	-	30,363	48,593
Vehicles	1,488	9	-	-	-	1,497
Social Work projects	3,067	-	-	-	-	3,067
	23,527	116	(849)	-	30,363	53,157
	124,770	181,553	(180,422)	(348)	28,586	154,139

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund Balances as at 31 March 2024 are represented by:

GROUP	Endowment Funds £000	Social Work Fund £000	Other Restricted Funds £000	Un- restricted Reserves £000	Total £000
Fixed Assets					
Properties	-	66,835	116,893	-	183,728
Property schemes in progress	-	1,443	77	-	1,520
Motor vehicles and equipment	-	-	1,353	88	1,441
Investments	19,010	-	36,500	143,811	199,321
Current Assets	-	12,322	46,994	60,097	119,413
Current Liabilities	-	(304)	(12,134)	(31,305)	(43,743)
Long-term Bank Loans	-	-	(15,799)	-	(15,799)
Defined benefit pension liabilities	-	-	(2,861)	-	(2,861)
Total Net Assets	19,010	80,296	171,023	172,691	443,020

Fund Balances at 31 March 2023 are represented by:

GROUP	Endowment Funds £000	Social Work Fund £000	Other Restricted Funds £000	Un- restricted Reserves £000	Total £000
Fixed Assets					
Properties	-	66,700	115,750	-	182,450
Property schemes in progress	-	2,605	77	-	2,682
Motor vehicles and equipment	-	-	804	164	968
Investments	16,825	-	33,500	128,865	179,190
Current Assets	-	7,180	47,236	47,918	102,334
Current Liabilities	-	(565)	(9,353)	(22,809)	(32,727)
Long-term Bank Loans	-	-	(17,081)	-	(17,081)
Defined benefit pension liabilities	-	-	(2,851)	-	(2,851)
Total Net Assets	16,825	75,920	168,082	154,138	414,965

25. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES

	2024	2023
	£000	£000
Net movement in funds	28,055	25,193
Unrealised (gain) on investments	(20,130)	(1,176)
Realised loss/(gain) on disposal of properties	1,098	(29,068)
Depreciation of motor vehicles and equipment	275	159
Depreciation of properties	5,579	6,627
Investment and rental income	(3,431)	(1,850)
Decrease/(increase) in stocks	2	(34)
(Increase)/decrease in debtors	(58,968)	299
Property schemes in progress written off	4,761	5,069
Increase in creditors	8,707	17,496
Increase/(decrease) in Defined Benefit pension scheme liability	10	(12)
Interest payable	1,371	473
Net (outflow)/inflow from operating activities	<u>(32,671)</u>	<u>23,176</u>

26. CAPITAL COMMITMENTS

At the balance sheet date, commitments in relation to the construction or refurbishment of property amounted to £3.4m (2023: £1.6m). Of this amount £2.1m related to SAH (2023: £0m).

27. RELATED PARTY TRANSACTIONS

The Salvation Army Trust (registration number 214779) is a linked charity of the Social Work Trust by nature of the sole trustee in common, both trusts together representing the work of The Salvation Army across the UK. During the current year grants totalling £29.7m (2023: £22.4m) were received from The Salvation Army Trust. An overhead recharge of £10.8m (2023: £10.2m) was charged from The Salvation Army Trust during the year, representing the Social Work Trust's share of central overhead costs which were incurred by The Salvation Army Trust. The full amount of the overhead recharge of, £10.8m was outstanding at year end. In addition, recharges of £105k (2023: £77k) were charged to The Salvation Army Social Work Trust for hire of rooms at corps premises.

The Salvation Army Social Work Trust holds one £1 share and has the power to control The Salvation Army Homes (SAH). The Salvation Army Homes is registered with the Co-operative and Community Benefit Societies Act 2014 and is a registered social landlord regulated by The Regulator of Social Housing. SAH itself owns the whole of the issued share capital of Kingsown Limited and SAH Developments Limited, companies incorporated in England. The results and net assets of SAH, Kingsown and SAH Developments have been consolidated within these accounts. The following costs have been charged to the Social Work Trust during the year; Bed spaces recharged from SAH to the Social Work Trust during the current year totalling £7.4m (2023: £5.8m); 5% margin arose from the bed space recharged totalling £342k (2023: £340k); Other costs incurred on behalf of Social Work Trust £508k (2023: £431k);, out of these £1.4m is outstanding at year end.

SAH took out a loan of £315,000 with Reliance Bank Limited in the financial year ended 31 March 2011, and £2,200,000 in the financial year ended 31 March 2014, and a further loan of £150,000 in the financial year ended 31 March 2015- a wholly owned bank by The Salvation Army International Trustee Company (SAITCo).

The Association made the following payments during the year to Reliance Bank Limited:

Capital repayments	£98,210
Interest payments	£104,624

The total outstanding balance of the loan as at 31 March 2024 was £1,494,774 (2023: £1,592,984). The long-term loan was granted to the Association on normal commercial terms, including Salvation Army Homes providing appropriate security to satisfy the conditions of the loan.

During the year, SAH paid £302,123 (2023: £388,123) for the property and liability insurance to SAGIC Limited, Social Work Trust paid £1m (2023: £753k) for the insurance to SAGIC Limited. SAGIC Limited is a company wholly owned by The Salvation Army Trust.

In addition to the entities listed above, transactions occurred during the year with individuals who are Key Management Personnel, or their families. These transactions are described in Note 10 to the financial statements.

28. CONTINGENT LIABILITY

Salvation Army Homes is the leaseholder for several properties where the Social Work Trust are the freeholder. In the event of a lease surrender, a contingent liability would occur for repayment of grant to Homes England or the Greater London Authority. A Lease Surrender Agreement between both parties ensures that in this event, an offsetting contingent asset would exist.

29. PRIOR YEAR ADJUSTMENT

The 2023 results have been restated as followings:

- a) Investment property re-classification: the Social Work Trust accounts for investment property as set out in accounting policy 2(i). A detailed review of property records found a number of additional properties that met the criteria of an investment property as set out in our accounting policy. A number of these properties met the criteria in prior years and therefore a prior period adjustment has been applied to correct the brought forward position for 2023 and 2024. The net book value of the investment properties has been transferred at the opening position in 2023 from fixed assets totalling £1,281k. In addition, these investment properties have been revalued at their fair value using relevant indices and property price data to estimate the value of these properties at the opening position for 2023, resulting in an increase of £13,356k. The final restated value of investment properties at the opening position for 2023 is now £46,603k, an increase of £14,603k from the opening balance position previously reported. These changes are reflected in notes 13 and 16.
- b) Following a review of costs included within Property Schemes In Progress, £5,030k was identified as cyclical maintenance work undertaken in the prior year which does not meet the definition of Property Schemes In Progress. As these costs are not capital expenditure they have been reclassified as revenue expenditure in the prior period. These costs have been written off as part of the prior year adjustment and corrected within Note 6 and 22.
- c) Surplus on Anti-Human trafficking Home Office contract: an amount of surplus is repayable to Home Office. This condition existed in 2023 and therefore the 2023 result has been restated to reflect the amounts due to the Home Office and recorded within other creditors (£4,757k).
- d) Due to complexity of the accounting for the Anti-Human Trafficking Home Office contract income and expenditure, the Social Work Trust internally generated income and expenditure, captured for management reporting purposes, had effectively been double counted, in both income and expenditure. An adjustment for £7,976k has been included within Notes 4 and 8 to remove the additional income and expenditure recognised in 2023.
- e) Within Personnel Costs, Note 10, the comparatives analysis has been restated for consistency with the current year analysis which now correctly includes overtime and fleet car allowance costs within the Allowances and Salaries category.
- f) Salvation Army Homes (SAH) hold a number of properties which are used by the Social Work Trust to fulfil their charitable objectives through providing housing and related support services to the vulnerable. For these units, SAH charge an annual fee to the Social Work Trust along with a 5% margin cost. The charge totalling £2,485k, had not been previously eliminated on consolidation within Note 12. This has reduced the 2023 Turnover figure for SAH from £25,944k to £23,460k in Note 12.
- g) Prior year adjustment related to the reclassification of the Recycled Capital Grant fund in SAH. This prior year adjustment aligns the treatment of the Social Housing Grants and Other Grants within SAH for £871k in Note 18.
- h) Debtors and Creditors have been reclassified to bring the presentation in Notes 17 and 18 in line with the Charities SORP.
- i) On acquisition of SAH in 2011, a fair value adjustment was included to reflect the loan breakage costs attached to the loans taken out by SAH pre-acquisition. On review of the annual consolidation adjustment, it was identified that the remaining loan was taken out post-acquisition and should not have been included within the consolidation adjustment. An adjustment has been included to remove £724K consolidation adjustment from Note 18.

The effects of these items on the 2023 financial statements are summarised below:

Prior Year Restatement note		
	01-Apr-22	31-Mar-23
Reconciliation of funds	£'000	£'000
Funds as previously stated	375,387	409,949
Revaluation of Investment Property (a)	13,356	13,208
Property Schemes in Progress (b)	-	(5,030)
Home Office contract profit share (c)	-	(4,757)
Recycled capital grant fund (g)	1,029	871
SAH loan taken out post-acquisition (i)	-	724
	389,772	414,965
Reconciliation of 2023 SOFA		
2023 as previously stated		34,562
Gain/(Loss) on revaluation (a)		(149)
Property Schemes in Progress not capital (b)		(5,030)
Home Office contract profit share (c)		(4,757)
SAH loan taken out post-acquisition (i)		724
SAH Recycle Capital Grant Fund movement (g)		(158)
2023 total as restated		25,194

30. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY FOR THE YEAR ENDED 31 MARCH 2023 (restated)

	Endowments £000	Restricted £000	Unrestricted £000	2023 Total £000
INCOME AND ENDOWMENTS FROM:				
Donations and Legacies				
Grants receivable: The Salvation Army Trust	-	-	22,373	22,373
Donations	-	1,329	939	2,268
Legacies	-	870	1	871
	-	2,199	23,313	25,512
Charitable Activities				
Centres' operations	-	473	79,302	79,775
Other social operations	-	581	77,283	77,864
Housing Association turnover	-	23,303	-	23,303
	-	24,357	156,585	180,942
Investments	-	193	1,657	1,850
Other				
Gains on disposal of fixed assets	-	29,068	-	29,068
TOTAL INCOME	-	55,817	181,555	237,372
EXPENDITURE ON:				
Raising Funds				
Investment management costs	-	-	50	50
	-	-	50	50
Charitable Activities				
Centres' operations	-	7,718	97,610	105,328
Other social operations	-	674	82,762	83,436
Housing Association operating costs	-	24,040	-	24,040
	-	32,432	180,372	212,804
TOTAL EXPENDITURE	-	32,432	180,422	212,854
Net Gains/(Losses) on investments	31	1,495	(349)	1,176
NET INCOME/(EXPENDITURE)	31	24,880	783	25,694
Transfers between Funds *	-	(28,586)	28,586	-
Other Recognised Gains / (Losses)				
Actuarial Gains/(Losses) on Defined Benefit Pension Schemes	-	(501)	-	(501)
NET MOVEMENT IN FUNDS	31	(4,207)	29,369	25,193
RECONCILIATION OF FUNDS:				
Total Funds brought forward	16,794	248,208	124,770	389,772
TOTAL FUNDS CARRIED FORWARD	16,825	244,001	154,139	414,965

THE SALVATION ARMY SOCIAL WORK TRUST

England & Wales - Charity number 215174

Accounts



**The Salvation Army United Kingdom and Ireland Territory
The Salvation Army Social Work Trust
Report and Financial Statements for the United
Kingdom in the year ended 31 March 2023**

Charity Registration No: 215174 Scottish Charity Registration No: SC037691

Principal Office

Territorial Headquarters: 1 Champion Park, London, SE5 8FJ

www.salvationarmy.org.uk

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INTRODUCTION FROM THE TERRITORIAL COMMANDER



Commissioner Anthony Cotterill

Our Vision is bold and audacious: 'Fullness of life for all with Jesus'. Some might think it is unrealistic. However, as you read this Annual Report you will see multiple examples of people experiencing a fuller life because of the work of The Salvation Army.

This has been another challenging 12 months. Before people and communities across the UK, Ireland, Channel Islands and the Isle of Man had time to recover from the COVID pandemic, the cost-of-living crisis has threatened to overwhelm us. I am pleased this report shows The Salvation Army in the UK stepping up to address multiple challenges with resilience and compassion. Most importantly, you will see evidence that the people we serve have been enabled to experience a fuller life in seemingly endless ways.

This is the uniqueness of The Salvation Army. We are not 'single-issue' like many in the UK charity sector. Throughout our 155+ year history we have sought to meet the needs of people just where they are. We focus on people on the margins of society who are struggling with complex problems. We know the solutions are complex and consequently we are a complex organisation.

Essentially, we are a Christian church working in the UK through several charitable trusts. To fully appreciate our work in the UK, this Report needs to be read alongside The Salvation Army Trust (Charity Registration number 214779) Report. Operationally we do not function as two distinct charities since the objects of the two trusts are different but complementary. In everything we do, we seek to support people without discrimination and with respect and compassion. We long for everyone to experience fullness of life with Jesus.

I express my sincere thanks to everyone who has financially supported The Salvation Army during the year under review. Despite the challenging economic situation, hundreds of thousands of people across the UK generously gave so that we can help others. We also thank the many branches of Government, trusts, foundations and corporations who partner with The Salvation Army to enable people and communities to flourish.

This is my final Annual Report and Accounts as my wife, Gillian, and I will be entering retirement on 31 December 2023 after almost 40 years of service as Salvation Army officers. I commend our successor, the current Chief Secretary, Colonel Paul Main, and Colonel Jenine Main to you. God has been faithful throughout our lives and we have had the greatest privilege serving as Salvation Army officers. 'Fullness of life for all with Jesus' has been our experience and it can be yours too.

Thank you again for your help and support. May God bless you.

Commissioner Anthony Cotterill
Territorial Commander of The Salvation Army in the United Kingdom and Ireland

OUR VISION, MISSION AND VALUES

Our Vision, Our Values and a set of five Mission Priorities inspire and guide all the work we do as a church and as a charity and are underpinned by the work of The Salvation Army Social Work Trust (this Report) and The Salvation Army Trust (our sister trust), both trusts together representing the work of The Salvation Army across the UK.

We simplified and refreshed our Vision, Mission and Values statements in 2021 to reaffirm our sense of purpose and direction for The Salvation Army in the United Kingdom, Ireland, the Channel Islands and the Isle of Man. Since their creation and adoption and across the year under review, the new statements have been deployed extensively across the territory. Their simplicity and boldness mean that all areas of the diverse work of The Salvation Army can be both anchored and inspired by them.

Vision statement:

Our Vision:
Fullness of life
for *all* with Jesus

This is ‘Our Vision’ for every part of The Salvation Army. It is inspired by the words of Jesus: *‘I have come that they may have life and have it to the full’* (John 10:10 NIV).

No words can adequately capture the vision of boundless salvation that God intends for the world and everything in it. However, ‘Fullness of life for all with Jesus’ includes every aspect of Salvation Army life. We believe everyone can enjoy fullness of life with Jesus. It is aspirational – we are not there yet – but this is what we strive towards.

Mission Statement:

Our Mission:
To *share* the good news
To *serve* others without discrimination
To *nurture* disciples of Jesus
To *care* for creation
To *seek* justice and reconciliation

Our Mission is built on five priorities which are the drivers for all we do, how we do it and why we do it, across the entire organisation.

These short phrases communicate immense challenge, ambition and direction. When these priorities are present, The Salvation Army is working towards Our Vision of ‘Fullness of life for all with Jesus’.

Each of the five priorities of Our Mission is rich in meaning and helps us explain to 21st-century society why the Christian message and the work of The Salvation Army is relevant and desperately needed in our communities and nations.

They are not arranged hierarchically but overlap and mutually support each other.

SHARE THE GOOD NEWS

At the heart of The Salvation Army's mission is a passion to proclaim the good news of Jesus Christ far and wide. This is not an optional extra. The Salvation Army only does what it does because our inspiration and vision come from peoples' ongoing relationship with Jesus. We know the difference our relationship with God makes in our lives and we don't want anyone to miss out.

SERVE OTHERS WITHOUT DISCRIMINATION

The Salvation Army responds to people without discrimination. God calls us to be with the people we serve. In 'being with' people – as against 'doing for' people – together we find solutions and make progress because we are all made in the image of God. We are called to share love in a too often loveless world. 'Love God, Love Others' inspires every aspect of our work.

NURTURE DISCIPLES OF JESUS

The future of The Salvation Army depends on nurturing current and future generations of Christian disciples who, filled with the Holy Spirit, share the good news of Jesus, resulting in more disciples. Like athletes, Christian disciples need to practise staying fit for God's demanding mission. Habits such as prayer, Bible reading, corporate worship, music, tithing and helping others are vital. The Salvation Army believes being a disciple of Jesus and experiencing the blessing of holiness is the way to experience fullness of life.

CARE FOR CREATION

The Salvation Army is committed to helping change attitudes, resulting in a more responsible use of our planet. We seek to provide practical care and advocacy for people affected by damage to the environment. People will not experience fullness of life unless God's creation is protected and cared for.

SEEK JUSTICE AND RECONCILIATION

People can experience a fuller life on Earth. God longs for justice for all people. Therefore The Salvation Army has always spoken out against injustice. We fight not simply the effects of injustice but also the systems and structures that enable injustice. Seeking reconciliation is also an essential part of The Salvation Army's vision of the good life. Peace and fullness of life is possible when justice and reconciliation are priorities in the lives of individuals, communities and nations. The Salvation Army is committed to work in partnership for these ends.

Our Values:

Our values are for everyone involved in The Salvation Army and should be reflected in our behaviour and result in good relationships and increased wellbeing, and help us integrate what we do with how we do it.

The basic standard of Christian behaviour, derived from our understanding of the character and action of God, is love; so we need continually to be drawn back to understand how God is asking us to live and work together to help us be faithful to our calling to be God's people.

Boldness – We will courageously and confidently share the good news, seek justice and reconciliation, nurture disciples of Jesus, serve others without discrimination, and care for creation.

Compassion – We will serve with the unconditional love and grace of God as the pattern for our behaviour.

Passion – We will bring our best selves, our God-given energies and convictions, to our work, service and learning, whether as officers, members, employees or volunteers.

Respect – We will receive each person with the dignity of those created in the image of God, while seeking the transformation God provides.

Integrity – We will be honest and transparent in all our dealings with each other and those we serve, being open about our motives and agendas.

Mutual accountability – We will willingly and freely give full account for our actions to those we interact with and expect the same in return.

Statement of commitment:

We have one simple statement to explain why we are here, which frames all we are and all we do as a church and charity. Four words achieve this:



Love God
Love Others

This is based on Jesus' greatest commandment in Matthew 22:37-39 to 'Love the Lord your God' and to 'love your neighbour as yourself'. 'Love God, Love Others' underpins, inspires and motivates everything we do, in every part of The Salvation Army.

Throughout 2022 and 2023 this statement has been widely used across The Salvation Army in communications, on corporate publications, on our websites and on email footers as a powerfully simple 'explainer' of what we are here to do and how we strive to deliver our vision.

THE OBJECTIVES OF THE SALVATION ARMY SOCIAL WORK TRUST

Promoting the charitable work of The Salvation Army in such one or more of the following ways as The Salvation Army Trustee Company shall think fit, namely:

- the relief of poverty, sickness, suffering, distress, incapacity or old age
- the advancement of education
- training in Christian and moral principles
- the assistance of those in need of protection

OUR ORGANISATION

The Salvation Army was founded in 1865 by William and Catherine Booth and currently operates in more than 130 countries. The world leadership of The Salvation Army is provided by The General of The Salvation Army.

The General is assisted by officers and staff based at International Headquarters in London. The current General is Lyndon Buckingham who was elected into office in August 2023.

The United Kingdom and Ireland Territory is under the command of a Territorial Commander, appointed by The General and responsible to him/her for the day-to-day administration of Salvation Army work throughout the British Isles, including the Channel Islands, the Isle of Man and the Republic of Ireland. Commissioners Anthony and Gillian Cotterill are the leaders of The Salvation Army in the UK and Republic of Ireland.

The Salvation Army in the UK is an integrated, yet diverse, organisation that contributes to the betterment of society in the service of God and people. Legally we are structured under two main trusts. These are:

- The Salvation Army Trust (Charity Registration No. 214779 in England and Wales, and SC009359 in Scotland)
- The Salvation Army Social Work Trust (Charity Registration No. 215174 in England and Wales, and SC037691 in Scotland)

Therefore, we publish two separate reports and accounts. This document is the Annual Report and Accounts for The Salvation Army Social Work Trust. Together both Trusts reflect the life and work of The Salvation Army as a whole and exist to enable effective management and accountability for the two main ways in which we work.

Further information on our legal structures and our governance is included later in this Report.

EXPLAINING OUR STRATEGY, STRUCTURE AND OPERATION

The Salvation Army Social Work Trust is the charity registration through which we operate our centrally co-ordinated (ie not church or community centre-based) programmes of support for people experiencing homelessness, older people in our care homes, our addictions services and our delivery of support for the victims of modern slavery and human trafficking, and other specialised forms of support.

The Salvation Army Trust's Report and Accounts form a 'sister' publication to this, which outlines the church life of The Salvation Army and the community-based programmes of engagement and support that are delivered through our corps (churches) and community centres.

Summary of what The Salvation Army Social Work Trust does

- We provide single people and families who are experiencing homelessness and people suffering from addictions with high-quality residential accommodation, care and support, encouraging their ability to live independent and positive lives.
- We provide vulnerable older people, particularly those with limited resources, with residential care which recognises individuality and the spiritual dimension to life.
- We provide unemployed people, including those in our residential homelessness centres, with back-to-work schemes through Employment Plus.
- We provide survivors and potential victims of modern slavery specialist support which includes transport, a safe place to stay and outreach support, as well as community integration as they continue their journey of recovery and rebuilding their lives.
- We reunite families who have lost contact and help to bring about happy reunions.
- We support the emergency services at major incidents, providing refreshments for staff and help to victims.
- We work in partnership with local authorities and other agencies where relevant to provide the best outcomes for our service users.
- We speak with national and local government to influence policy on issues affecting our service users.
- We strive to achieve our vision of 'fullness of life for all with Jesus' in everything we do through five Mission Priorities: share the good news, serve others without discrimination, nurture disciples of Jesus, care for creation, seek justice and reconciliation. Operationally we are prioritising transformation, integration and streamlining to increase our effectiveness and impact.

The scale of the work of The Salvation Army Social Work Trust in the UK (Statistics from the 2022 Salvation Army Yearbook)

12 Care Homes for Older People

Belfast:	The Sir Samuel Kelly Memorial Home (accommodation 56)
Buxton:	The Hawthorns (acc 34)
Coventry:	Youell Court (acc 40)
Edinburgh:	Davidson House (acc 40), Eagle Lodge (acc 33)
Hassocks:	Villa Adastra (acc 40)
London:	Glebe Court, Lewisham (acc 40)
North Walsham:	Furze Hill House (acc 40)
Prestwich:	Holt House (acc 31)
Sandridge:	Lyndon (acc 32)
Southend-On-Sea:	Bradbury Home (acc 34)
Weston-super-Mare:	Dewdown House (acc 40)

8 Centres for Families (Residential)

Belfast:	Glen Alva (acc family units 20, max 77 residents)
Belfast:	Grosvenor House (acc family units 19, max 76 residents)
Belfast:	Thorndale Parenting Assessment (7 family units)
Belfast:	Thorndale Family Centre (acc family units 34, single bedsits 4, max 125 residents)
Fleetwood:	George Williams House (acc family units 9, max 36 residents)
Portsmouth:	Catherine Booth House (acc family units 21, max 40 residents)
Portsmouth:	St Paul's House (acc family units 14, max 56 residents)
Portsmouth:	St Monica's House (acc family units 10, max 40 residents)

2 Centres for People with Learning Disabilities

Kilbirnie:	George Steven Centre
Liverpool:	Strawberry Field

Centre for Employment and Training

Hadleigh:	Hadleigh Farm Estate

4 Centres for Single Homeless Young People

Accrington:	Crossroads (acc 11)
Cardiff:	Northlands (acc 26)
Fleetwood:	George Williams House (acc 6)
London:	Springfield Lodge (acc 40)

4 Homelessness Day Care/Drop-In

Bradford:	Day Centre
Edinburgh:	Niddry Street
London:	No 10 Project
Norwich:	Pottergate Arc

4 Housing First Programmes

Cardiff
Glasgow
Hamilton
Merthyr Tydfil

8 Non-Residential Homelessness Services

Aberdeenshire Floating Support
Cardiff Floating Support and outreach services
Early Intervention Project – York
Inverness Floating Support
Greenock Floating Support
Southwark Floating Support
North West Refugee Floating Support
Denbighshire Temporary Emergency Accommodation Support

47 Centres for Single Homeless (Adults)

Belfast: Centenary House (acc 89) and Calder Fountain (acc 12)
Birmingham: William Booth Centre (acc 74)
Blackburn: Bramwell House (acc 55)
Bradford: The Orchard (acc 42)
Braintree: New Direction Centre (acc 14)
Bristol: Logos House (acc 93)
Cardiff: Tŷ Gobaith (acc 70)
Coventry: Harnall (acc 85), Axholme House (acc 32)
Dundee: Strathmore Lodge (acc 25), Burnside Mill (acc 20)
Edinburgh: The Pleasance (acc 38)
Glasgow: Eva Burrows 1st Stop Project (acc 32), Hamilton Housing First, Huntershill Court (acc 14), Wallace of Campsie House (acc 52), William Hunter House (acc 37)
Grimsby: The Booth Lifehouse (acc 35)
Huntingdon: Kings Ripton Court (acc 36)
Ipswich: Lyndon House (acc 38)
Liverpool: Ann Fowler House (acc 38), Darbyshire House (acc 45)
London: Cambria House (acc 48), Founders House (acc 123), Riverside Complex (acc 81)
Manchester: Discovery House (acc 10), Endeavour House (acc 15), Independence House (acc 15)
Perth: Skinnergate (acc 30)
Plymouth: Devonport House and Zion House (acc 72)
Reading: Shepton House (acc 20), Willow House (acc 43)
Ryde: Fellowship House (acc 26), Melville Street (acc 7), Carisbrooke Priory (acc 14)
St Helens: Salisbury House (acc 64)
Salford: Abbot Lodge (acc 20) (delivered by Saha)
Sheffield: Charter Row (acc 55), Lincoln Court (acc 11 self-contained units)
Skegness: Witham Lodge (acc 30), Rookery Nook (acc 11)
Southampton: The Booth Centre (acc 46)
Sunderland: Swan Lodge (acc 65)
Swindon: Booth House (acc 50)
Warrington: James Lee House (acc 54)

2 Family Services

Birmingham Shepherds Green House (20 families Domestic Abuse Service)
Portsmouth Family Services

Veterans Services

Tŷ Dewr – 12

6 Drug and Alcohol Services (Scotland)

Aberdeen
Falkirk
Glasgow
Greenock
Inverness
Stirling

4 Child Contact Centres

Worthing
Winton
Birmingham

6 Early Years Education Centres

Gillingham
Droitwich
Staines
Cardiff Ely
Portsmouth
Leigh-on-Sea
Copper Beech, Leeds

In addition, our Employment Plus programmes engaged with over 7,500 people, supporting them, coaching them and helping them into work across the UK.

How We Work

While The Salvation Army is not unique as a provider of centrally co-ordinated residential and support services, it is certainly distinctive in terms of its structure, and this distinctiveness gives us a real opportunity to go about our work in impactful ways.

The Salvation Army is a church and charity that doesn't just help people by providing immediate, practical support to overcome issues such as addiction, experiencing homelessness, social isolation or poverty and recovery from slavery; it also strives to address the reasons that cause these situations, with a view to effecting sustainable change in individuals and society at large.

What sets The Salvation Army apart from other organisations is that we have the combined strength of our centrally co-ordinated services and our locally co-ordinated churches and community centres which are all playing their part to bring about positive change. When this really comes together, as it does in many places across the UK, it models what we call ‘integrated mission’.

Our Social Work Trust, for which this is the Annual Report and Accounts, is the charitable registration through which we allocate and manage funds for our (principally) residential centres and centrally co-ordinated operations. Much of the funding for this work is received through government and local authority contracts and grants, with the cost of the additional support, wellbeing and training services being met from a grant from our sister charity, The Salvation Army Trust. To see the full picture of our work, you will need to read both sets of Reports and Accounts.

Our strategy in the Social Work Trust has been to ensure that the work of these mainly residential centres is effective and efficient, compliant, and as transformative and as supportive as possible, and that all we do starts with the needs of people we serve. That is why in addition to statutory funding we are committed to deploying Salvation Army funds to provide the best possible additional support services we can, in order to achieve the best outcomes for the people in our care.

While we have ongoing contractual commitments which it is our mission to meet, we are always looking to ensure that opportunities to make additional differences are identified, assessed, and when possible seized. Our strategy therefore is one of controlled and best possible ongoing delivery, and at the same time a disciplined ambition to do as much as we can in ways that are as meaningful and innovative as we can, in as much of the UK as we can. As we look forward, for as long as we can afford to, we will commit to identifying additional opportunities to deliver services.

The Salvation Army Trust provides centrally co-ordinated facilities – such as HR, finance, property, IT, PR and media support. This approach enables us to be efficient and effective in the use of resources.

Many of the programmes funded by The Social Work Trust support people facing complex challenges. Therefore, a more centralised organisational approach is appropriate for people experiencing homelessness or a survivor of modern slavery or a person recovering from addiction. This contrasts to the approach used in many of the programmes funded by our sister Salvation Army Trust which tend to be less centralised and more ‘organism’ than ‘organisation’. The Salvation Army accommodates these differences through different management structures to ensure support and oversight is appropriate in differing contexts.

REALIGNING RESOURCE TO ENABLE A ‘FLOURISHING’ AND EFFECTIVE SALVATION ARMY

Continuing the delivery of the Structure Co-ordination and Design Project 2022/2023

The Salvation Army has never been a static organisation, and over its 158 years of life and work has been constantly evolving to match efficiency and effectiveness with changing times and changing needs.

Ensuring appropriate oversight and support and operational freedoms to more than 600 diverse and locally responsive Salvation Army churches and community centres is challenging. Add to that over 100 residential and non-residential social work centres, and the challenge of ensuring the most effective allocation of resources is a critical task.

This significant task, termed *The Structure Co-ordination and Design Project*, has been focused on three desired outcomes:

- **Transformation:** Increase the capacity of locally-based Salvation Army work to contribute to the five Mission Priorities (share the good news; serve others without discrimination; nurture disciples of Jesus; care for creation; seek justice and reconciliation).
- **Integration:** Build strong and effective collaboration between all aspects of Salvation Army work in a geographical area.
- **Streamlining:** Design appropriate, effective, efficient and sustainable structures and processes that enable local mission to flourish.

Starting in 2021 and over a two-year period coming to fruition in the year covered by this Annual Report, the Structure Co-ordination and Design Project conducted probably one of the most extensive pieces of internal research we have ever executed in order to answer the simple question:

‘What (change) is needed to enable our local mission to flourish?’

The process was deliberately designed to be ‘bottom-up’. Consultations were carried out within all the then 20 divisions, and at all headquarters, both territorial and divisional.

The principal premise we worked to is this: A combination of effective **oversight** of the right things, combined with the allocation of adequate resources and **support**, and the effective **release** of our local mission delivery expressions from unnecessary control, should result in communities and people flourishing.

The strength of this simple model is that it dovetails into the way The Salvation Army has always worked. We respond locally and meaningfully to local need in local ways. Organisational structures, and administrative and decision-making processes can become burdensome and inefficient. At its best, The Salvation Army is often more local organism than top-down organisation. Therefore, rooting and starting our thinking and planning for change in ‘local’ was the most sensible and potentially the most powerful way forward.

The outcome can be outlined as a series of significant changes to the way we work:

Release: We engaged and continue to engage in extensive rethink of how resources need to be marshalled and how the local delivery points can be released to be as free as possible to decide on and deliver what they perceive is needed in terms of service and services. One outcome is, and will continue to be, a review of effectiveness, and how investment can be directed more freely to where increased investment will deliver significant change for people and communities.

Oversight: Effective oversight is vital for compliance and governance. Oversight ensures we are doing the right things in the right ways. However, the design process also looked at where supervision and some forms of oversight are unnecessary or could be released to be done locally, not centrally. We have a strong spirit of accountability in The Salvation Army and the releasing of some aspects of oversight will mean more local ownership.

Support: We need to continue to ensure that the support that is needed to enable local mission delivery to flourish is available, but in the right ways. This means adequate funding streams, support for raising awareness locally, support for training and innovation and local growth. We are developing more practitioner-based and peer-to-peer support. This is helping to reduce the cost of support and improve the quality by encouraging people to learn from fellow practitioners.

Streamlining was also one of the three goals of this process, and a significant branch of this project looked at our divisional structure and how best can our 600+ corps and community centres be clustered and supported divisionally (regionally). Following extensive consultation, it was decided to systematically reduce the number of divisions from 22 to 14. This entailed a reshaping of the role of the divisional leadership team to ensure the effective application of the principle of support and oversight and release. Critical to this thinking was also to ensure divisional headquarters and staff work with territorial headquarters and staff to form one integrated system of support and oversight. During 2022 and 2023 these changes gradually came into effect and The Salvation Army in the UK settled into working with its new divisional boundaries.

The changes that this project introduced started to be felt in 2022/2023. In the period covered by this review:

- The number of divisions (dioceses) in the UK reduced to the target number of 14. The number of corps (churches) in divisions now varies significantly from 17 in North Scotland Division to 67 in the East of England Division.
- New divisional roles were created to support the divisional leaders in overseeing and supporting the mission delivery at local settings.
- A culture was adopted that offered flexibility in structures within divisions to allow greater freedom – previously all divisions were expected to have the same hierarchical structure and staffing.
- A review of safeguarding roles, responsibilities and procedures started.
- Our Personnel Service implemented a new recruitment system to reduce administration.
- The Property Department continued to implement changes to better serve local corps and improve property maintenance.
- The importance of impact measurement and data management was reflected in the implementation of a pilot scheme to look at how we collect, share and interpret data across the territory, in order to drive continual improvement.

An important priority for this project is integration and increasing local collaboration between all aspects of Salvation Army work in a particular geographical location. Irrespective of the governance and funding arrangements that apply to different Salvation Army expressions (The Salvation Army Trust or The Salvation Army Social Work Trust), there is nothing preventing teams jointly collaborating to achieve our shared vision (fullness of life for all with Jesus) and the five Mission Priorities. Initiatives such as ‘communities of practice’ and ‘mission focus groups’ are increasingly connecting Salvation Army people, resulting in greater integration, streamlining and efficiencies.

A further cultural intention with this project has been to move away from seeing change as something that is effected once, to a culture of continual improvement. All aspects of The Salvation Army’s operations are therefore actively encouraged to submit proposals for how improvements, innovations and changes can be introduced to enhance local mission delivery.

The Structure Co-ordination and Design Project is scheduled to conclude its work by the end of 2023 with the ongoing focus on transformation, streamlining and integration being taken forward by headquarters staff as an essential aspect of ‘business as usual’.

ILLUSTRATING THE WORK AND ACHIEVEMENTS OF THE SALVATION ARMY SOCIAL WORK TRUST 2022/2023

The Salvation Army Social Work Trust encompasses a very significant number of residential centres and non-residential programmes. The diversity of services and ways these services are delivered is immense. Therefore, this Report highlights some of the developments we have implemented in the last year as we work to deliver our Mission Priorities and strive to achieve our vision. We are blessed to have the resources to operate in this way and we believe – and know – that our approach helps transform the lives of thousands of people every day.

The work funded by The Social Work Trust is extensive, ranging from residential programmes for people experiencing homelessness to addictions services, to older people’s care homes, emergency services, employment services, debt advice and family centres. Much of the funding for this work derives from government and local authority contracts, and transfers from The Salvation Army Trust. As such it is far more centrally co-ordinated.

This year we will focus on two of our largest operations: modern slavery and homelessness.

IN THE FRONTLINE AGAINST MODERN SLAVERY

Since The Salvation Army's early days we have fought against the exploitation and sale of people, as it is in opposition to the Christian belief that God created all people in his image.

In England and Wales, The Salvation Army continued to support survivors through the Government's Modern Slavery Victim Care Contract. We provided transport to safety, support and accommodation to survivors, and gave them a voice that can help impact policy decisions.

'Without the support of The Salvation Army, I'd be dead, it's as dramatic as that.'

— Leo, a victim of human traffickers

Hard facts

The Army published the 11th and 12th annual reports on our work providing specialist support to adult victims of modern slavery in England and Wales — through the Modern Slavery Victim Care Contract.

With both reports overlapping the financial year being discussed within this document, statistics from both have been included in the following information. These reports show that from July 2022 to June 2023, 3,533 people (July 2021 to June 2022 3,068), from 107 different nationalities, were referred to The Salvation Army and its partners. Of these people:

- 58% (2021/22: 46%) experienced labour exploitation, such as being forced to work in factories, building sites or farms with little or no pay — a **100% rise** from 2020/21
- 19% (2021/22: 23%) experienced sexual exploitation — a **4% rise** from 2020/21
- 15% (2021/22: 19.5%) experienced criminal exploitation, like being forced to sell drugs — an **11% rise** from 2020/21.

Organised crime remains at the heart of modern slavery. Violent gangs think nothing of trafficking people to sell and force them into criminal activity. It wasn't just people who are trafficked from overseas; British people were the second most common nationality in our services with the number jumping by 10 per cent in a year.

Maintaining high standards

• At home

The services we provide through the Modern Slavery Victim Care Contract are scrutinised by the Care Quality Commission (CQC) who published a report during the year.

We were encouraged by confirmation of good practice within our services, which met and often exceeded contractual standards. This also applied to the quality of services and commitment of staff, who went above and beyond to provide survivors with tailored support based on each individual's needs.

The areas identified for improvement and recommendations covered issues that had already been identified by The Salvation Army and our partners. We welcomed this scrutiny, and the report gave us an additional tool to help continuously improve outcomes for survivors of modern slavery.

- **And overseas**

This Report principally covers UK work funded through The Salvation Army Social Work Trust. However, as an international church, the work we do to address slavery in the UK is part of our international commitment; and it's important to see how working together, The Salvation Army can address issues of concern on a world-wide basis. The Salvation Army's International Social Justice Commission (ISJC) in New York City launched a landmark report – *Everyone Everywhere* – about the global response to modern slavery and human trafficking (MSHT).

The report highlighted four main global goals: strengthening systems, growing leaders, educating and equipping, and mobilising to respond holistically. Here are some key statistics from the report.

- The Salvation Army supported **9,795** survivors in 2021, a **70.7 per cent increase** since 2020.
- **94 per cent** of territories who reported to the ISJC were active in raising awareness and prevention efforts.
- **65 per cent** of territories who responded have completed an action plan and intend to implement it.
- **117** territorial or national contact persons around the world led and co-ordinated responses within their territory or country.

The report celebrated and acknowledged how many people around the world are making a difference, while addressing MSHT within their communities – for example:

- Corps officers in the Uganda Territory practised restorative justice by providing counselling sessions to offenders of MSHT.
- The Sweden and Latvia Territory assisted with Sweden's largest case of human exploitation in modern-day history.

'While no one can end MSHT alone, everyone everywhere can do something. And together, we're getting closer every day.'

Priscilla Santos, international MSHT response co-ordinator.

Survivors' stories

- **Mo – someone you know**

In the summer of 2022, four-time Olympic gold medallist Sir Mo Farah revealed that he was a survivor of human trafficking. The revelation that he had been trafficked from Djibouti to London at the age of nine, and then forced into domestic servitude, was a shock to many.

Mo's story was a sad reminder that human trafficking and modern slavery are all too prevalent. Territorial Commander Commissioner Anthony Cotterill thanked Sir Mo Farah for his courage, and for helping to show that this can happen to anybody. It also showed that it can take many years before someone feels safe enough to speak out.

'The detail that sticks out for me is that it took a PE teacher to notice a frightened and incredibly vulnerable child (Mo) in his class and spoke out on his behalf.'

Territorial Commander Commissioner Anthony Cotterill

- **'W' – someone you don't know**

'W' came from Romania to Wales and was brought into a family business. The family helped him set up a bank account and said that he could live with them. They took money from him for using the fridge, for boiling the kettle, and he racked up uncontrollable debts. He was in that situation for a few years.

Eventually he was working in a factory, and other employees noticed he would come in wearing sliders for shoes and wasn't dressed appropriately. Alarm bells rang and he was rescued. The perpetrators were sentenced and convicted. With support from The Salvation Army, 'W' has now relocated and rebuilt his life.

Tackling growing complexity

The Salvation Army continued to be there to support survivors of modern slavery at every stage, helping people access services and advocating for them.

During the year, we saw their needs growing more complex. At the same time, and because of the complexity, the Home Office was taking longer to gather details about each person's experience of exploitation (to determine 'conclusive grounds' that someone is a victim of modern slavery). Longer waits led to other issues, such as an impact on mental health.

- Of the young people who came to us, we noted more had been involved in criminal activities such as drug trafficking across county lines. Vulnerable young people were being targeted and coerced into gangs because they wanted to belong.
- More women came to us who had relationships with gang members and were being targeted and made to carry drugs.
- We saw more displaced people being particularly vulnerable to exploitation while fleeing for safety – notably from Ukraine – and even once they have arrived in another country.

Some of the positive steps we took to tackle this:

- We continued to provide people with an outlet to process their experiences and rebuild their confidence – for example, through a new music programme at our London outreach centre.
- We recruited a survivor inclusion and engagement adviser, to build relationships with survivors and to develop a forum and framework that can help strengthen their voices.

- We set up an initiative – an advocate scheme – to engage young people, offer them a way to volunteer, raise awareness and support our campaign *#WeAreNotforSale*.
- The Salvation Army worked on an international scale to help alert people to the risks and signs of exploitation with specific UK messaging during our Modern Slavery Awareness Campaign in October 2022.

Educating the new ‘front line’

We launched a student advocate scheme which raised awareness of modern slavery and human trafficking.

• About student advocates

Student advocates are volunteers who discussed modern slavery and human trafficking in schools, colleges, youth groups and Christian unions at universities.

They attended training and used knowledge and resources provided by our Anti-Trafficking and Modern Slavery Department (ATMS). This included *True Story* packs which recounted real experiences of human trafficking and modern slavery to different age groups.

• Their important role

There are still many people who do not understand how widespread modern slavery and human trafficking is. Our advocates highlighted the Army’s work supporting people who have been exploited.

Advocates are members of a forum in which we continuously shared information regarding best practice and resources related to the Army’s anti-trafficking campaigns.

• Why the focus on young people?

Everyone can help spread our message. But young people helped us reach a wider audience. They used their social media channels – Instagram, Facebook and TikTok – to reach across generations.

Advocates received training in teaching others how to spot the signs of exploitation within their communities and identify individuals involved in trafficking.

‘The student advocate programme capitalised on young people’s deep sense of justice. It turned their frustration, anger and sadness at the current state of the world into a positive action.’

Jo Taylor, Youth Specialist (Discipleship)

Working together against slavery

Princess Eugenie of York and Julia de Boinville, co-founders of The Anti-Slavery Collective, joined survivors of modern slavery supported by The Salvation Army at a music therapy session.

After taking part in a warm-up, the guests enjoyed an informal performance of songs by the group of men and women who have been sharing together through music weekly, under the leadership of specialist support worker Nigel Long.

Princess Eugenie and Julia chatted to survivors and support workers and heard about the positive impact the sessions were having. Two of the singers introduced their favourite song, Abba's 'I Have a Dream', and explained why it was so important to them.

The sessions were about so much more than music and singing skills. They were about building confidence and giving survivors space to have fun and share with each other, at the same time as getting support from our team.

Speaking truth to power

As an organisation which operates very much 'on the front line', we see problems at first hand. As a church and charity we have a responsibility to tackle problems we see, and that often involves challenging legislation and working with Government and local authorities to improve provision and identify ways people can be better supported.

- **Concern about new measures**

The Salvation Army raised concerns about new government measures which expect people to provide objective evidence that they have been exploited. We stated that the new measures would make it harder for people to prove they are entitled to support and protection from abusers.

We agreed it was important to speed up decision making around modern slavery cases, but sought reassurances that vital support processes remained in place and are protected from any future legislative or policy changes.

- **New Bill falls short**

The Salvation Army was deeply disappointed to witness the passing of the Nationality and Borders Bill *without* important amendments proposed by the House of Lords. The amendments were based on listening to survivors and experts in the modern slavery sector. They would have:

- minimised barriers that now exist for potential victims of modern slavery trying to access the support they need and are entitled to.
- ensured the removal of time limits on potential victims telling their story.
- helped to prevent people who have committed criminal acts from receiving support.
- guaranteed the right to live in the UK (leave to remain) for 12 months for confirmed survivors of modern slavery.
- ensured that children who have been exploited were protected from the impact of this legislation and treated separately from adult survivors.

Our spokesperson said:

‘Despite this setback we are committed to continuing our work with survivors and other partners to ease access to the specialist support available to help survivors.’

- **Small boats – big concerns**

We expressed our extreme concern that the UK Government’s Illegal Migration Bill will make it harder for genuine victims to access support.

At present, all victims are entitled to specialist support, regardless of their background. Under the Bill, support for many survivors would become dependent upon their co-operation with the criminal justice system.

It is important that the Government tackles the inhumane use of small boats by criminal gangs. But automatically detaining and then removing people as they arrive will deliver vulnerable people back into the hands of the criminal gangs.

The Salvation Army called for the Bill’s provisions relating to modern slavery to be removed and our concerns were reflected by a number of MPs in the debates in Parliament.

GIVING HOMELESS PEOPLE HELP AND UNDERSTANDING

The Salvation Army continued in its role as one of the country's largest providers of homelessness services. We provided practical support through our Lifehouses (residential centres), severe weather night shelters, pop-up accommodation and more. And we helped tackle the root of homelessness – with specialist services, and by proposing solutions about policy and provision.

Home truths

During the year, figures showed that levels of homelessness, rough sleeping and related issues reached crisis levels.

- The annual Rough Sleeping Snapshot in England estimated 3,069 people were sleeping rough on a single night in Autumn 2022 – a 26 per cent increase since 2021.
- Quarterly government figures for July to September 2022 showed almost 40,000 households in England were registered as homeless, including those in temporary or emergency accommodation – a 2.9 per cent increase compared to the same period in the previous year.
- 70 per cent of rough sleepers in London needed support for mental health, drug or alcohol problems, according to The Combined Homelessness and Information Network (CHAIN).
- 741 homeless people died on the street, compared with 688 people in 2020, according to the Office for National Statistics (ONS).

The Salvation Army called for urgent action. For instance, to help end rough sleeping by the end of parliament in 2024, we called for funding to rise in line with inflation, and a reversal of the freeze on the value of Local Housing Allowance rates.

We also warned that the Government can't end rough sleeping unless it tackles the causes. Mental health and addiction problems can be both the cause and the result of living on the streets. To give people the best chance to move on from rough sleeping, we called on government money that needs to be spent in the right places.

'The government's plan to end rough sleeping by 2024 risks being derailed if it does not take action soon.'

– Homelessness Services Department Director Nick Redmore

Lifehouses – shelter and support

We continued to operate over 80 supported accommodation services across the UK and the Republic of Ireland. These Lifehouses offered support with housing issues, and also with other aspects of life – such as employment, debt problems, training, spirituality, loneliness, addiction or mental health. We provide all-round support, which is what makes our network of Lifehouses very special places.

- **Witham Lodge – Skegness**

As an example, during the year, Witham Lodge continued its vital work, with a staff team of 19 supporting people between 18 and 78 who fall into homelessness, often due to lack of employment opportunities.

Witham Lodge

For ages 18+ with high support needs to experience independent living before moving into their own accommodation.

- 30 beds
- 25 single en suite rooms
- 1 specially adapted accessible flat
- 4 independent flats each with 5 bedrooms, communal lounge and kitchen.

Rookery Nook (near Witham Lodge)

For 11 clients with low support needs.

Experience of living in a ‘family home’ with relaxed atmosphere

- 11 bedrooms
- Shared bathrooms
- Kitchen
- Lounge

Paul’s story

Paul ran his own bar in Spain for 10 years. But his relationship broke down and he came back to the UK. He had nothing and he became homeless when his father died. Staying at Witham Lodge, Paul joined our skills development Hope Project. He gained new skills through gardening projects and furniture up-cycling, which he added to his CV. It led him to working several days a week offering gardening, painting and decorating services. Paul set up a handyman business and moved into his own accommodation.

- **Booth House – Swindon**

The Booth House Lifehouse has been working in partnership with the Devon and Wiltshire Fire Service. A programme helped residents develop life and work skills using firefighting activities, and they were encouraged and supported by mentors from the fire service.

The course set out individualised learning plans to gain new skills, grow confidence and self-worth. Three residents completed and received their certificates during a passing out parade in May, completing two demonstrations:

- Rescued casualties from a road traffic collision, taking turns to use cutting equipment, before securing the casualties alongside paramedics.
- Rescued a mother and child from a smoke-filled building, with residents controlling the water supply, arranging equipment, climbing ladders and entering the building.

The individuals then had the opportunity to meet the adult community learning team to explore further training.

- **Bramwell House – Blackburn**

This Lifehouse hosted a health hub for people experiencing homelessness in the town. We encouraged key organisations to gather to offer support and information to residents and people experiencing homelessness.

- Mental health team
- Dentist
- Substance misuse team
- Healthcare professionals offering hepatitis C testing
- Debt counselling service
- The Salvation Army's own Employment Plus service

Many vulnerable people don't have the motivation or courage to go out and meet with organisations that can help them. The health hub was a great way to bring support to them, signposting them in the right direction and providing another arm of support.

The idea came from two social care students who are on a placement at Bramwell House. Gemma Kearns from Hyndburn and Natasha Tantwala from Blackburn proposed the idea as a way to advise residents on what is available to them in the area to improve their wellbeing.

Colin Mottershead, service manager at Bramwell House, said:

'We're strong believers that a Lifehouse is more than a place to stay; we aim to give residents a reason to get up in the morning and see themselves as people of the community and not just see the label of homeless.'

Pop-up pods

Charter Row Lifehouse in Sheffield houses up to 57 single men. But bringing together rough sleepers with a history of violence or trauma can be risky. If they have former tenancy arrears, drug and alcohol addiction, poor mental health or problematic behaviour, finding them alternative accommodation can be difficult too.

Following a generous donation, Charter Row Lifehouse was able to buy a couple of sleeping pods for two men with complex needs. The shelters were self-contained spaces measuring 8ft by 6ft, each with a bed, phone-charging facilities and a chemical toilet.

As well as being a warm, safe refuge, Charter Row became the 'care of' address for the Sheffield pod residents. This sounds simple but it is really important; it meant social services could visit and support people in recovery. Both residents moved on to long-term accommodation, showing how these small pods can make a lasting impact.

What the residents told us:

'It's stopped me from being cold. It's basically kept me and help me find myself again.'
'They should have thousands more of these pods as they would help a lot of people.'

Taking a wider perspective

Our Homelessness Services Department met at their annual conference. The agenda showed that their work goes far beyond offering practical support; they looked to understand the person too, and the emotional and mental support they needed.

One of the key sessions was about appreciating and responding to the trauma that people feel when they experience homelessness. Dr Mandy Davis explained how trauma-informed care emphasises physical, psychological and emotional safety, and aims to empower individuals to re-establish control over their lives.

Dr Mandy also talked about toxic stress, which is the body's response to lasting and serious stress without enough support from a caregiver. Delegates were invited to think about their own toxic stresses, how they present them to others and what the signs might be.

The conference gave delegates time to not only think about what they do, but also why they do it. It left everyone feeling that they were part of something both powerful and inspiring.

WIDER WORK IN OUR COMMUNITIES

Employment plus hope

In London, rough sleepers were among the many people our eight Employment Plus development co-ordinators successfully supported into jobs. Some of those who benefited had been dealing with addiction and mental health problems. The project aimed to get 10 per cent of the clients into work and has already helped 20 per cent find a job.

Employment Plus Assistant Regional Manager Sarah-Joe Mohun Smith said:

'We are seeing people whose anxiety has decreased, they are having aspirations again and their wellbeing has improved. The project is holistic, and we take the time to understand someone's complex barriers rather than simply reaching targets.'

Supporting families

- **Stories of hope**

Our Thorndale Family Centre in Belfast provided shelter, safety and support for families and single women in need of short-term accommodation, due to issues such as relationship breakdown, financial hardship or domestic violence.

One example of the support offered was to bring children and parents together through reading. The Covid-19 pandemic and resultant home-schooling had set many children back, and some parents didn't know how to read with their children.

Our team worked with BookTrust Northern Ireland, helping families to escape from their everyday struggles, promote feelings of wellbeing, inspire individuals and enhance language skills.

‘We know the benefits children and families get from developing a love of books early in life,’ said Chris Eisenstadt, director of BookTrust Northern Ireland.

- **Families reunited**

A guiding foundation of The Salvation Army is a belief in relationships. It’s therefore no surprise that seeking to reunite separated members of families is important to us. Even in today’s digital age, it can be hard to search for a missing family member. The data needed is often protected and not widely accessible, especially for older people without internet access. People continued to turn to our Family Tracing Service, which has nearly 140 years of experience.

Searching for a relative can feel emotional. Our service is professional, compassionate and non-judgemental, with support throughout.

‘Estrangement can happen in any family and it’s usually the not knowing that is the hardest part for any searcher,’ said Team Leader Karen Wallace.

Of the thousands of enquiries the service received, about one third became formal applications. Of those, eight out of ten resulted in ‘knowledge’ – a reunion or other news about a missing loved one. Trends over the year saw more enquiries related to young people in their late teens, and also from people who had fled conflict and were in search of their families in the UK.

Fullness of life for people with disabilities

Young people with disabilities met at the Enabled Summer School at The National Star College in Cheltenham. After online-only events in 2020 and 2021, there was clear joy at being back together and, after a welcome meeting, they celebrated with a disco.

The week-long calendar of activities included crafts, art, swimming, mindfulness, exercise and photography. Fellowship groups included Bible studies, discussion groups, Godly Play and a sensory group, with members exploring Scripture with a focus on rejoicing and joy.

Event highlights included trips to Bristol Zoo and an ‘Enabled Commonwealth Games’ with members split into teams from England, Scotland, Wales and Ireland. The England team emerged victorious!

This year was about being together, working together and rising above life’s challenges together. This was put to the test when some people tested positive for Covid-19. The planned programme was cancelled, replaced by some spontaneous outdoor activities for those who stayed. Despite everything, members said it was a great success.

Here for older people

We believe that it's important to develop spiritually, socially, culturally and emotionally but also to challenge the stereotypes and prejudices we have about the 'old'. We take our motivation from the words of Jesus who talked about 'life in all its fullness' (John 10:10).

- **Striking the right note**

There are almost 100 Singing by Heart groups across the territory. Sessions are designed to encourage communication, recollection of memories and fun for all taking part. Songs are introduced by a relevant Scripture verse and concluded with a prayer.

As well as in some of our residential centres, one example is the fortnightly group run in a local care home in Yeovil by Majors Cheryl and Neil Davies. Major Cheryl said: ***'Seeing the joy on the residents' faces is priceless and their individual responses, whether it be clapping, tapping, dancing or something else, show that they are present in the moment and engaging on a level that may be hidden but not lost.'***

- **Light in the dark**

In the past 15 years, the number of prisoners in Britain over the age of 60 has tripled. They are especially vulnerable partly because of their frailty and also the isolation they face. It is why retired prison chaplains Majors Paul and Rita Conley established the prison Cameo Programme, which runs in three prisons – HMPs Wymott, Usk and Prescoed.

Along with access and mobility issues, many older prisoners are suffering from age-related illnesses and some even receive palliative care. The Cameo programme ran activities like bingo, the chance to read, play chess or cards, watch documentaries or listen to guest speakers. We provided an oasis in what can be the darkest of places.

Helping hand for vulnerable people – moving on from debt

Our 25 (and expanding) advice centres continued to meet a growing need across the UK, providing free advice on debt and money management – and referring people to additional support, as needs be.

Debt can happen to anyone due to an unexpected turn in life, and the ongoing cost-of-living crisis contributed to the daily struggle for many people. Workers on zero-hours contracts, self-employed workers, seasonal workers and others sought help with debt problems. It was not just those who weren't working who were struggling. Our approach:

- Understand the level and type of debt.
- Review finances and find ways to raise income and reduce expenditure.
- Develop and agree a realistic debt solution.

- Negotiate with creditors – freeze interest payments, agree payment plan.
- Support people during the repayment process and renegotiate if needs be.
- Provide education about money – to change habits and minimise future debt.

Lorraine Cook who heads up the work of the Army's debt advice services said:

'We can give people a debt solution, but we can't solve poverty.' In the past, government departments distanced themselves from church-based community services and provision. But now they are seeing the results that our services are achieving, they want to work with us.

A people-centred approach to addiction

We continued to embrace a 'harm reduction approach' which means we support someone to tackle not only the addiction itself, but also the roots and causes of their behaviour in the first place.

That is because we believe that addiction is a maladaptive way of coping: a normal response to an abnormal experience or situation, often based in our early years. We believe addiction is the result of a complex interaction between nature and nurture.

Our services are tailored to individuals to support their journey to a life of independence. When we build relationships with people, we ensure they are nurturing, strengths-based and unconditional.

• Core Recovery for addiction

The Salvation Army has a 150-year history of journeying alongside people living with addiction. We continued this pledge of helping people in need through a 'recovery church', called Core Recovery.

It was a simple idea: if The Salvation Army truly believes that everyone deserves fullness of life through Jesus, Salvationists needed to seriously consider how to create spaces for healing and transformation for people living with addiction and trauma.

Our Core Recovery team helped to create healing and transformational spaces, with advice, expertise, resources and guidance. At its heart were key principles including belonging, no discrimination, encouragement and compassion:

'I work side by side with disadvantaged, lonely and isolated people to empower them, upskill them and see them flourish in newfound confidence.'

Christina Davies, Skills and Employability Co-ordinator at The Haven, Neath

- **Concern and compassion in Scotland**

Figures from National Records of Scotland showed 1,051 people died of drug use in 2022, down from 1,330 in 2021.

We were encouraged that deaths from drug use were in decline in Scotland but did not celebrate these numbers. Behind these figures were people and families who needed specialist support and compassion, so that many of these deaths could have been avoided.

In response to these statistics, The Salvation Army continued to emphasise the need for a person-centred approach to supporting people with addiction. We have seen lives transformed with this person-centred approach, and government figures show that a harm reduction policy works.

The Scottish Drug Deaths Taskforce's recent report also called for a compassionate approach to tackling addiction, and we back the taskforce's call for a significant increase in funding for therapeutic addiction support services.

'Investing in services that offer this approach to addiction is the most effective way of reversing levels of drug and alcohol deaths. Compassion and connection saves lives.'
Malcolm Page, Assistant Director of Homelessness Services (North)

- **Working with Stars**

In Bournemouth, we put in place ongoing education and training for the corps and community centre to break the stigma around addiction and increase knowledge on how to support those affected by destructive habits.

One example is working with Steps to Active Recovery (Star), a charity set up by Emma Heath who leads the recovery ministry in the Bournemouth area. Star believes in transformation, bringing hope, building community, boosting confidence, being broad and being inclusive, and so aligns with The Salvation Army's mission.

The local Salvation Army corps ran the Star Life Course. It provided a holistic approach to recovery that considers body, mind and spirit. Over 12 weeks they welcomed 22 guests. Star instilled the confidence to deliver recovery ministries safely, to equip and help churches in providing a recognised standard of support.

The course helped to support those with – and those affected by – destructive habits and behaviours and to offer a unified community approach that helps break down fear and stigma.

Responding to emergencies

- **Action stations!**

Our incident response vehicles and volunteers were out in force, providing refreshments and emotional support to first responders and emergency services teams. Here are some examples.

- Stornoway – firefighters, the coastguard and other agencies were out for days fighting fires which engulfed the island in smoke. Salvation Army corps members provided much-needed drinks and food.
- Hastings – responding to floods, the corps provided workers with drinks, hot meals and a place to hold meetings and rest. Our team also provided food, flasks and blankets to an anxious resident who didn't want to leave her flat despite losing all power.
- Oldham – our emergency response vehicle was called to support emergency services dealing with the aftermath of a huge fire at a scrapyard.
- London – last July saw us provide an unprecedented level of support to the capital's firefighters. We now have three incident response vehicles strategically based at fire stations across London.

- **Proud to serve**

Co-ordinated by our centrally co-ordinated emergency services team, The Salvation Army supported the many volunteers and emergency services teams on duty as Queen Elizabeth II's coffin lay in state in Edinburgh and then in London. We also supported vulnerable members of the community, some of whom struggled with the long waiting time, especially through the night. In both locations, the Army provided practical help as well as pastoral care for mourners.

LOOKING FORWARD AS A MOVEMENT

The Salvation Army Social Work Trust is the legal entity through which our centrally co-ordinated programmes are managed, and this Report has highlighted many examples of the delivery in 2022/2023 across many areas. Some of this work is funded through central government, devolved government and local authority contracts and some is funded with grants from The Salvation Army Trust. Either way, The Salvation Army Social Work Trust portfolio of services has once again supported people, of all ages, in all sorts of need. Continuous development and response to change are our hallmark and we fully intend to be as agile and responsive as we move forward as we have been for the last nearly 160 years.

We will continue to support victims of modern slavery through our network of safe houses and our volunteer drivers and through the immense value of the Survivor Support Fund which helps meet the needs of survivors and get them set up in a new life.

We will continue to respond to the growing numbers of people experiencing homelessness, and to work with Government and with local authorities to meet these needs flexibly and in changing ways as funding and funding criteria change.

We will continue to deliver services such as Employment Plus and debt advice which make such a difference to people as they seek to manage their financial situation, to reduce the often damaging stress that debt can cause and, if needed, help them back into meaningful work.

We will continue to support people with addictions and people recovering from addictions with specialist support and helping them and other vulnerable people experience fellowship and friendship through our Core Recovery programme.

We remain committed to family life and will continue to deliver services that support and help maintain and relationships.

We will continue to 'speak truth to power' to ensure we are the voice of people who often have no voice, that legislation is developed to meet the real problems that we see which need tackling and funding, and we remain committed to speaking out where legislation needs amending,

Above all, The Salvation Army Social Work Trust, working with its sister trust The Salvation Army Trust, remains committed to striving to achieve our vision of 'Fullness of life for all with Jesus' and to do so by following its Mission Priorities. Fullness of life has many meanings, but The Salvation Army Social Work Trust remains committed to deploying its funding to meet need in the many and often complex ways it presents itself. It's what we were called to do and it's what we remain steadfast in doing next year and the years ahead.

RAISING FUNDS

The income streams for The Salvation Army Social Work Trust consist mainly of statutory funding and, to a lesser degree, income from the sale of assets and income from legacies and donations which have been specifically made to and received directly by this Trust.

Fundraising for the overall work of The Salvation Army, including the work carried out by The Salvation Army Social Work Trust, is largely managed through and executed under The Salvation Army Trust, a separate charity from The Salvation Army Social Work Trust.

One of the distinctive features in the delivery of services covered by The Social Work Trust is that we always seek to do the best we can to help people experience holistic change. Often this means providing additional support services, training and skills development. This comes at a cost, and therefore to meet this additional cost The Salvation Army Trust makes a grant to The Salvation Army Social Work Trust based on funding needs.

This grant is agreed in advance as part of the budgeting process, and the actual value of the grant made during the year appears in The Social Work Trust as 'Grants Receivable: The Salvation Army Trust'.

No active fundraising is carried out by The Salvation Army Social Work Trust.

Our fundraising and appeals programme features the work of both Trusts.

The Salvation Army Trust Report and Accounts form a sister publication to these reports and accounts.

SUBSIDIARIES

The Salvation Army Social Work Trust works in harmony with its subsidiary, Salvation Army Housing Association.

Salvation Army Housing Association (Saha):

The principal activities are the management and development of social housing, primarily for single people. This includes Lifehouses for homeless people, foyers offering support and training, housing with appropriate support services for vulnerable people, special housing for the elderly, as well as selfcontained rented homes at rents affordable to those on low incomes.

Saha operates nationally in over 70 local authorities across England and has five main areas of operation:

1. Agency Managed Centres (1,497 bed spaces):

Saha works in partnership with a number of organisations nationally, including The Salvation Army, to provide a wide range of Agency Managed Supported Housing services. These include residential centres (called Lifehouses) for homeless single people and homeless families, centres for those recovering from addictions, accommodation for ex-offenders and individuals and families fleeing domestic violence. Within these partnerships we act as the landlord owning and maintaining the buildings, whilst our managing agents undertake the day-to-day management of the service.

2. General Needs (1,275 homes):

Saha own a range of accommodation that provides secure affordable housing for families and individuals. Generally, residents access this accommodation through local authority waiting lists as we have nomination arrangements in place with our local authority partners.

3. Accommodation for the over-55s (291 bed spaces):

Some of Saha's accommodation is specifically designed for those over the age of 55, including a scheme manager providing on-site support. In accommodation where there is no staff on site, there will be an alarm call system and other types of floating or community support available. Styles of accommodation vary from studio flats to bungalows. Many of Saha's schemes have communal facilities where residents can engage in a range of activities.

4. Directly Managed Supported Housing (507 bed spaces):

Saha directly manage a number of schemes throughout England, both managing the building and delivering the day-to-day management and support. As with the Agency Managed schemes, Saha provide a range of support services to the residents. All schemes, including our foyers which are tailored for those between the age of 18 and 25, have 24-hour staff support where residents engage in a range of activities to promote independence with the aim of resettlement into independent living.

5. Registered Care Homes (52 bed spaces):

Saha own a number of registered care homes, working with a partnering agency to provide support and care for clients in a residential environment.

Saha also manage 707 residential properties on behalf of The Salvation Army, providing a housing management service throughout the country.

MODERN SLAVERY AND ANTI HUMAN TRAFFICKING STATEMENT

As The Salvation Army in the United Kingdom and Ireland Territory we hold a zero-tolerance stance on acts of modern slavery and human trafficking and on any breach of our Ethical Policy and will not condone any such action by our contractors, suppliers or consultants. We take this issue very seriously and are committed to preventing acts of modern slavery and human trafficking from occurring within our supply chain. Our Procurement Ethical Policy is integral to all supplier contracts and sets out the overall standards surrounding human rights, child labour, discrimination, corruption, bribery or other financial impropriety, legal compliance and ethical conduct with which our suppliers must comply.

A Supplier Ethical Declaration is referenced in the standard purchase terms and conditions of The Salvation Army and compliance is a contractual requirement for all suppliers operating under these standard terms and conditions. In addition, all suppliers and contractors submitting tender responses must confirm their agreement and acceptance of the terms and conditions and sign the ethical declaration and apply these standards to their own supply chains.

Our Procurement Unit continually reviews its supply base, examining suppliers in those areas that represent the highest risk of modern slavery, particularly in spend areas relating to temporary labour, cleaning, catering, linen, branded goods and building services. Where possible trade and industry best practice standards are used as the benchmark and The Salvation Army has adopted the use of Constructionline for tendering and selecting building suppliers.

Due to the importance of training and education in the fight against modern slavery, the Procurement Unit has partnered with Stronger Together to deliver training to members of its team on identifying potential victims of modern slavery. All members of the Procurement team complete the Chartered Institute of Purchasing and Supply ethical procurement assessment annually.

The Procurement team holds regular Helping The Salvation Army Buy Better training seminars for stakeholders where ethical supply chain issues are covered. The Procurement team has also hosted a supplier conference with a specific focus on providing education on combating supply chain labour abuses. The commitment to ensuring ethical supply chain standards is also embedded in the recently adopted Salvation Army Fiscal Stewardship Principles and the Procurement Unit will be asked to report against these standards regularly.

REVIEWING FINANCES

Income

	2023 £m	2022 £m
Charitable activities:		
Centres' revenue income	79.8	73.5
Other social operations	90.6	71.7
Housing association turnover	25.9	24.6
	196.3	169.8
Legacies and donations	3.1	5.3
Grants from The Salvation Army Trust	22.4	23.5
Investment and rental income	1.9	1.4
Other income	29.1	1.4
Total income	252.8	201.4

Centres' revenue income

The main elements are:

- charges for residents in our care homes for older people (£13.9 million)
- charges for residents in our Lifehouses (£31.6 million)
- income received under contracts with local authorities, principally Supporting People contracts (£28.0 million)

Other social operations

The main elements are:

- Employment Plus (£4.0 million)
- Anti-Trafficking (£86.3 million)

Our Employment Plus team provides services to help unemployed people into work through several Work Programme contracts where The Salvation Army is a subcontractor. Income fluctuates as it is dependent on the number of referrals and also on clients securing and retaining employment.

We provided support to the victims of modern slavery under a contract with the Ministry of Justice. The demand for this service has increased year on year.

Housing Association turnover

This represents the turnover of The Salvation Army Housing Association (Saha), a subsidiary of the Social Work Trust, adjusted to reflect the accounting policies and reporting requirements of the Social Work Trust.

Legacies and donations

Legacies of £0.9m and donations of £2.3m were received in the current year.

Grants from The Salvation Army Trust

The Salvation Army Trust provides financial support to the Social Work Trust. This includes the Big Collection Appeal which is an annual appeal undertaken by corps (church) members specifically for social work programmes.

Expenditure

	2023 £m	2022 £m
Charitable activities:		
Centres' operations	100.3	88.5
Other social operations	91.4	73.6
Housing association operating costs	27.2	24.8
	218.9	186.9
Cost of raising funds	0.1	0.1
Total expenditure	219.0	187.0

Centres' operations

This represents the operating costs of care homes for older people, Lifehouses, detox centres, daycare centres and other non-residential projects. Decreased costs reflects significantly decreased activity at certain centres due to the pandemic.

Other social operations

The increased costs reflect the increase in the number of victims of trafficking being helped by our service as well as Employment Plus and Family Tracing.

Net gains/(losses) on investments

There has been an unrealised gain on investments of £1.3 million (2021: gain of £10.4 million). This represents a £1.5m gain in value of the Salvation Army Housing Association's investment property at Waterloo, London, partly offset by aggregate unrealised losses on the Trust's investment portfolios of £0.2m.

Funds

Excluding investment losses of £0.2 million, the Social Work Trust (excluding Saha results) has generated a surplus of £32.0 million compared to a surplus of £11 million in the previous year.

Total funds at the year end were as follows:

	2023 £m	2022 £m
Endowment funds	16.8	16.8
Restricted funds:		
Social Work Fund	82.2	82.5
Social Work projects	38.7	37.9
saha operations	127.8	128.1
Total restricted funds	248.7	248.5
Unrestricted funds:		
Designated funds	53.2	23.5
Unrealised investment gains	71.2	71.2
General reserve	20.1	15.4
Total unrestricted funds	144.5	110.1
Total funds	410.0	375.4

Endowment funds

All endowment funds are represented by investment in the Common Investment Funds and the movement is due to the increase in market value of the investments. The capital value of the funds is retained but the income is applied to fund our work.

Restricted funds

Social Work Fund represents property assets including Lifehouses, care homes and other properties used for the operations of the parent charity. These funds are not therefore available to spend.

All income generated from defence services operations is restricted for this work. Funds restricted for social work projects represent legacies and donations given for specific purposes.

All Saha funds are treated as restricted in the group accounts.

Unrestricted funds

Designated reserves

The levels of designated funds are reviewed annually. These are funds set aside by the directors for new projects and to meet known future commitments such as maintenance of our properties. These will be used in the next three years to fund new developments and significant refurbishment projects as they are approved. There is a major components reserve utilised for larger building projects addressing the necessary investment in properties within the Social Work Trust.

Unrealised gains

These are book profits subject to fluctuations in the stock market.

General reserve

This represents funds which are freely available for the general purposes of the charity.

RESERVES POLICY

Our reserves policy focuses on the level of general reserves.

We work with vulnerable and disadvantaged members of society, principally through our residential centres. We need reserves so that we can maintain continuity of our services in the event of a decrease in income or unexpected expenditure.

The directors have reviewed the main income streams, the risks associated with them, the main categories of expenditure and the extent to which these can be curtailed if required. A significant proportion of our income is received under contract from local authorities. As such this is subject to regular competitive tendering and to changes in central and local government policies. The Trust also receives a grant from its sister trust – The Salvation Army Trust – generated from its fundraising to support the work of the trust. There is a much smaller portion of income that is voluntary income which can be uncertain and fluctuate from year to year.

The total value of funds held as at 31 March 2023 was £282m (2022: £247m). There are restricted reserves of £120.9m (2022: £120.4m), unrestricted reserves of £144m (2022: £110m), and endowment reserves of £16m (2022: £16m).

Unrestricted Funds

The unrestricted funds include both general reserves and designated funds. General reserves are utilised to fund the day-to-day needs of The Salvation Army. These were £20.1m as at 31 March 2023 (2022: £15.4m). The designated funds are unrestricted but set aside by the directors for specific purposes, £53.2m (2022: £23.5m).

General reserves at the year-end were £20.1m which is above the target range of £4m to £5m. Like other charitable organisations, we are facing increased costs from high inflation as well as a challenging fundraising environment as the cost-of-living crisis continues to bite. A deficit budget is anticipated for 2023/24 which will result in a significantly lower general reserve. The trustee intends to review the reserves policy in 2023/24 taking account of the increasing internal and external risk factors.

INVESTING FOR THE FUTURE

The charity holds its investments in The Salvation Army Common Investment Funds. These funds were set up under Schedule 2 of The Salvation Army Act 1980 to act as common investment schemes for certain Salvation Army Trusts.

The Salvation Army Common Investment Fund (No 1) consists of permanent endowments which are restricted by the wishes of the donor. In most cases the income is to be used for restricted purposes. The Salvation Army Common Investment Fund (No 2) is operated for those Salvation Army Trusts without permanent endowments. Both funds are managed by The Salvation Army Trustee Company. Cazenove Capital Management manages CIF1 and 50 per cent of CIF2, whilst Sarasin & Partners LLP manage 50 per cent of CIF2.

The funds are subject to The Salvation Army Act 1980 and the following guidelines:

- the principal aim is to invest in a manner consistent with the promotion of the objects of The Salvation Army
- investments should be made on longer-term considerations rather than in the pursuit of short-term gains
- investments may be held in stocks, shares, debentures and other securities quoted on a recognised stock exchange, in government, municipal and public utility stocks and in bank deposit accounts
- investments may be made in collective investment schemes, including those holding real estate assets
- no direct investment may be made in unquoted securities in the UK or overseas

- there will be no investment in companies which derive a material amount of their revenues (% indicated) from the following activities:
 - the production of alcohol (5%)
 - the sale, together with any production, of alcohol (10%)
 - the production of tobacco (5%)
 - the sale, together with any production, of tobacco (10%)
 - the manufacture of whole weapons, weapon platforms and weapon systems (no minimum limit)
 - the manufacture or sale of strategic parts for weapons systems (10%)
 - the business of gambling or providing access to such businesses (5%)
 - the production of adult entertainment services or providing access to such services (1%)
 - the publication or wholesale of pornographic magazines or newspapers (1%)
- Investment managers are expected to exclude companies whose activities might reasonably be expected to increase poverty or act against the relief of poverty. The investment managers are required to monitor companies in the portfolios to ensure best practice in corporate governance, employment conditions and environmental sustainability.

The Funds' benchmark and ranges of distribution are as follows:

Asset Class	Benchmark	Range
	%	%
Equities:		
Global	100	+/-10
Bonds	0	+10
Cash	0	+10
	<u>100</u>	

The aims and objectives of the Common Investment Funds are as follows:

CIF1

Fund strategy is:

- to preserve the value of the fund, adjusted for real inflation
- to maintain a steady annual income stream

The performance objective of the Fund is to achieve an annual total return which exceeds the composite benchmark below by at least 1.25 per cent per annum, gross of fees, measured over rolling three-year periods.

Asset Class	Performance Benchmark
UK Equities	FTSE All-Share
Europe (ex-UK) Equities	FTSE All World Developed Europe (ex-UK)
Emerging Markets Equities	FTSE All World Emerging Markets
Asia Pacific Equities	FTSE All World Developed Asia Pacific
United States Equities	S&P 500
Property	IPD UK Property

CIF2

The Fund strategy is to aim for capital growth rather than income. The performance objective of the Fund, excluding cash and gilts under lien, is to achieve an annual total return which exceeds the composite benchmark below by at least 1.25 per cent per annum, gross of fees, measured over rolling three-year.

Asset Class	Performance Benchmark
UK Equities	FTSE All-Share
Europe (ex-UK) Equities	FTSE All World Developed Europe (ex-UK)
Emerging Markets Equities	FTSE All World Emerging Markets
Asia Pacific Equities	FTSE All World Developed Asia Pacific
United States Equities	S&P 500
Property	IPD UK Property
Cash and gilts under lien	FTSE Gilts under 5 years

Performance for the year compared to the benchmark was as follows:

	CIF1 %	CIF2 %
Annual total return (gross of fees)	4.0	1.1
Benchmark return	-2.6	-2.6

For the year to 31 March 2023 CIF 1 and CIF 2 overperformed in challenging circumstances compared to global market benchmark. The performance is being monitored on a regular basis through discussions with the respective investment fund managers.

In absolute terms the performance of the Common Investment Funds for the year was as follows:

	CIF1 2023 %	CIF1 2022 %	CIF1 2021 %	CIF2 2023 %	CIF2 2022 %	CIF2 2021 %
(Decrease)/Increase in capital value of fund	2.9	6.8	22.3	-0.1	17.1	25.5
Average net income return	0.5	0.4	0.5	0.7	0.7	0.8

STRUCTURE, GOVERNANCE AND MANAGEMENT

The United Kingdom and Ireland Territory is under the command of a Territorial Commander, appointed by The General and responsible to him/her for the day-to-day administration of Salvation Army work throughout the British Isles, including the Channel Islands, the Isle of Man and the Republic of Ireland.

The Salvation Army's assets in the United Kingdom Territory are held by The Salvation Army Trustee Company (SATCo), a company limited by guarantee, registered in England (No 00259322), with its registered office at 1 Champion Park, London, SE5 8FJ.

The two main trusts under which The Salvation Army in the United Kingdom operates are:

1. The Salvation Army Social Work Trust, whose accounts are contained in this Report.
2. The Salvation Army Trust, Charity Registration No 214779 in England and SCO09359 in Scotland.

The governing document of The Salvation Army Trust is The Salvation Army Act 1980, as amended. Under Section 12(1) (a) The Salvation Army Trustee Company is appointed as the sole ordinary trustee of the trusts listed in Schedule 5 to that Act.

The governing document of The Salvation Army Social Work Trust is the Deed Poll dated 30 January 1891 and a supplementary deed dated 26 March 1969.

The Salvation Army Social Work Trust acts as managing agent for a number of projects on behalf of several registered housing associations, including The Salvation Army Housing Association.

Salvation Army Housing Association

The Salvation Army Social Work Trust has the power to exercise control over the Salvation Army Housing Association (Saha). Saha is registered with the Co-operative and Community Benefit Societies Act 2014 and is a registered social landlord regulated by The Regulator of Social Housing.

RISK MANAGEMENT

The Salvation Army identifies, assesses and manages risks that could impact its activities so it can better achieve its objectives, comply with relevant laws and regulations and safeguard its funds and assets.

The Board (SATCo) has ultimate responsibility for overseeing risk management, in accordance with Charity Commission guidance (CC26). The Risk Management Committee (RMC) directs an enterprise-wide risk management programme to inform decision making and ensure effective procedures to identify and evaluate risks and implement effective controls.

The RMC considers the most recent developments in the most significant risks, while also prioritising broader developments to The Salvation Army's approach to risk management. Current plans include promoting a deepening appreciation of the complexities of risk management within a wide-ranging structure, the importance of metrics to inform risk management and the implications of macro and global risks that may have consequences for the organisation.

Risk management operates through a top-down review by the RMC and bottom-up review by individual functions, enabling the identification and prioritisation of key and emerging risks. This enables site and service-specific concerns to be identified and managed, whilst retaining high-level oversight and assurance of the most significant risks facing the organisation. The RMC reports to the Board at least twice yearly on key risks. Through this risk management process the trustees have considered the major risks facing the organisation and satisfied themselves that controls are established to manage them.

Unfortunately, the nature of our work means that despite the steps we take, serious incidents can still arise, and we continue to place the utmost importance on reporting these to our regulators.

Principal risks

The Salvation Army's work is diverse, geographically spread across a broad range of settings and has a variety of beneficiaries. The risk landscape is therefore varied, and controls are deployed appropriately at different levels of the organisation. The following outline indicates the most significant risks in the reporting period, and some of the strategic level mitigations we have in place.

Principal Risks	Mitigation
Business Continuity – There is a risk that the occurrence of a significant incident where, during and after the incident, the Trust will not be able to continue to be viable and meet stakeholder expectations.	Business continuity policies and procedures, including the application of ISO27001 for some parts of the organisation, prepare us for management of interruptions.
Cyber – The risk is that we fail to protect our information systems and the information they hold.	We deploy multiple measures to protect our systems and the information they hold. We work within an information security international standard (ISO27001) and build on lessons from our internal and external audits in this area.
Data Protection – The risk is that we fail to protect sensitive and personal data.	As well as our data protection/GDPR policies and training we take steps to ensure that personal data is treated properly through appropriate security measures, staff training, the use of data protection impact assessments and contractual requirements with organisations we work with who process our personal data.
Financial Sustainability – The risk is that there is insufficient revenue income from donations and reserves to support our operating model resulting in the failure of the Trust to thrive in a rapidly changing environment.	We continue to monitor the funding situation and adjust our financial planning and commitments accordingly to ensure we are financially resilient.
Safeguarding – The risk is that we fail to provide a safe environment, free from abuse, for everyone, including vulnerable beneficiaries.	We continue to maintain clear policies and procedures in relation to safeguarding and ensure the appropriate screening, training and supervision of personnel. A subcommittee of RMC – the Territorial Safeguarding Committee – oversees management of the risk.
Safe Mission – The risk is that we are not able to ensure the health, safety and welfare of personnel, service users and members of the public who are affected by our activities.	Comprehensive policies, procedures and guidance are in place, alongside a supervisory control framework. Two RMC subcommittees – the Safe Mission Council and the Sudden Deaths Review Group – inform the management of this risk.

RECRUITMENT AND APPOINTMENT OF DIRECTORS (TRUSTEES)

There are 13 directors, 8 by virtue of their appointments within The Salvation Army. One director is a divisional leader responsible for one of The Salvation Army's 14 divisions.

The other five directors are non-executive each bringing expertise in a relevant field, as approved by The General – including property, finance, investments or social services. The appointment of non-executive directors is made by SATCo on the recommendation of the Nominations Committee.

Training and Induction of Directors

The Company Secretary briefs new directors on their legal responsibilities and familiarises them with the Company's governance folder (and previous Board minutes). This includes the articles of association of SATCo, the Charity Commission's essential trustee guidance, and other key documents and policies (including the Conflicts of Interest Policy). The Company Secretary regularly delivers a written governance update on relevant issues at each board meeting. Directors are also informed of and provided with the opportunity to attend several training sessions throughout the year.

Organisational Structure and Decision Making

SATCo's board (the 'Board') is assisted by an Audit Committee, a Nominations Committee, an Investment Advisory Committee and a Risk Management Committee. The Audit Committee comprises a non-executive director chair and three independent members with a remit to review The Salvation Army's internal and external audit arrangements and consider reports issued by internal and external auditors including the annual financial statements. The role of the Nominations Committee is to recommend new non-executive Board members. The Investment Advisory Committee includes three external advisers in its membership and advises on appropriate investments. The Risk Management Committee is referred to below under Risk Management.

The Board met bi-monthly, with some additional meetings scheduled as required in this reporting year. In addition to its oversight and governance role, the following matters require consideration and approval by the Board:

- annual budget
- individual items of expenditure of £5 million and above
- investment policy, on the recommendation of the Investment Advisory Committee
- Risk Register
- Key policies
- Annual Financial Statements

The Board has delegated day-to-day operational matters to the Territorial Operations Board, under the leadership of the Chief Secretary.

During the 2019/20 financial year, the Internal Audit Department reviewed SATCo's performance against the Charity Governance Code for larger charities. The review identified a number of areas in which SATCo was performing well and other areas for development. Another assessment has been requested by the Chairman of SATCo that will take place in the 2023/24 financial year.

Directors' Responsibilities

The directors of SATCo are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of The Salvation Army Social Work Trust, and of the income and expenditure for that period. In preparing the financial statements, the directors are required to:

- select and consistently apply suitable accounting policies.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed.
- observe the principles of the Charity SORP.
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that The Salvation Army Social Work Trust will continue to operate.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of The Salvation Army Social Work Trust and are required to ensure the financial statements comply with The Salvation Army Act 1980, the Charities Act 2011 and The Charities and Trustees Investment (Scotland) Act 2005. They are also responsible for safeguarding the Trust's assets, taking reasonable steps to prevent and detect fraud and other irregularities.

The directors have regard to the Charity Commission's general guidance on public benefit that is relevant to The Salvation Army Social Work Trust.

Remuneration of Key Management

Key management personnel of The Salvation Army comprise Salvation Army officers and employees. Salvation Army officers do not receive a salary; instead they receive an allowance based on length of service and seniority of position, and as ministers of religion are provided with furnished accommodation and a motor vehicle. The allowances received by officers in positions of key management range from £19,377.96 to £25,471.57 per annum.

No remuneration of key management personnel is charged directly to the Social Work Trust. Further information is disclosed in Note 9 and 10 to the Accounts.

For employees, we are committed to ensuring a proper balance between paying salaries which will enable us to attract and retain staff of the appropriate calibre and careful stewardship of charitable funds. All senior salaries are benchmarked against senior staff salaries of comparable organisations in the not-for-profit sector.

On behalf of the Directors of The Salvation Army Trustee Company
15 December 2023

DIRECTORS

The current directors of The Salvation Army Trustee Company and those who held office during the financial year are as follows:

Commissioner Anthony Cotterill	Chair
Colonel Paul Main	Deputy Chair
Colonel Jenine Main	
Lieut-Colonel Alan Read	Managing Director
Lieut-Colonel Andrew McCombe	
Lieut-Colonel Beverley McCombe	
Lieut-Colonel Dean Pallant	
Lieut-Colonel Judith Payne	
Major Mark Herbert	(appointed 10.02.23)
Major Noreen Batt.....	(until 18.11.22)
Major Judith Hilditch.....	(until 30.04.23)
Helen O'Brien	
Philip Edwards	(appointed 09.09.22)
Mark Puller	(until 12.05.23)
Peter Gale	
Andrew Stickland	

The Chief Secretary, Colonel Paul Main, is responsible for the day-to-day management of the charity.

Committee Members (current)

Territorial Operations Board

Colonel Paul Main (Chair), Commissioner Gillian Cotterill, Major Jane Cowell, Tony Daniels, Major David Shakespeare, Miguel Fiallos, Peter Grant, Major Paul Kingscott, Major Mike Lloyd-Jones, Mitch Menagh, Alex O'Hara, Major Julian Watchorn, Major Richard Waters, Julius Wolff-Ingham, Nick Redmore

Audit Committee

Andrew Stickland (Chair), Stephen Bright, Hannah Greenfield, Mike Grills

Investment Advisory Committee

Peter Gale (Chair), Mark Colton, William Dalziel, Mary Haly, Lieut-Colonel Alan Read, Philip Rotherham

Nominations Committee

Commissioner Anthony Cotterill, Colonel Paul Main, Lieut-Colonel Alan Read, Elliot Thomas, Helen O'Brien

Risk Management Committee

Helen O'Brien (Chair), Major Kerry Coke, Lieut-Colonel Andrew McCombe, Lieut-Colonel Beverley McCombe, Lieut-Colonel Dean Pallant, Lieut-Colonel Alan Read, Elliot Thomas, Daniel Wills, Major Julian Watchorn, Julius Wolff-Ingham, Major David Shakespeare, Lynette Sturgeon

Company Secretary

Elliot Thomas is Company Secretary of The Salvation Army Trustee Company.

ADVISERS

Bankers

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

Auditors

Knox Cropper LLP, Chartered Accountants, 65 Leadenhall Street, London EC3A 2AD

Solicitors

England and Wales: Slaughter and May, 1 Bunhill Row, London EC1Y 8YY

Scotland: Blackadders, 5 Rutland Square, Edinburgh EH1 2AX

Investment Advisers

BWCI Consulting Limited, PO Box 68, Albert House, South Esplanade, St Peter Port, Guernsey GY1 3BY

Investment Managers

Cazenove Capital Management, 12 Moorgate, London EC2R 6DA

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

Legal & General Investment Ltd, One Coleman Street, London, EC2R 5AA

Independent Auditors Report to the Salvation Army Trustee Company, the Managing Trustee

Opinion

We have audited the consolidated financial statements of The Salvation Army Social Work Trust Group for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Balance Sheets, the Consolidated Statement of Cash Flows and the related notes. 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:

- (a) give a true and fair view of the state of The Salvation Army Social Work Trust group and parent charity's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, for the year then ended;
- (b) have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- (c) have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustees Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 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 trustee is responsible for the other information.

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

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

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

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

Responsibilities of trustee

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144(1) of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified the legal requirements to comply with this legislation including the requirement to correctly account for restricted funds. The Charity is also required to comply with the Health and Social Care Act and the regulations issued thereunder and compliance with the standards issued by the Care Quality Commission is a key issue.
- We gained an understanding of how the Charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds and to comply with the care quality standards, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the Charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.

- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions. We also reviewed reports and ratings published for the most recent Care Quality Commission inspections to ensure that there were no cases of non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the Charity's 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 the Charity's trustees as a body, for our audit work, for this report or for the opinions we have formed.



65 Leadenhall Street
London EC3A 2AD

Knox Cropper LLP
Chartered Accountants
Registered Auditors

15 December 2023

Knox Cropper LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

The Salvation Army Social Work Trust

Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

	Note	Endowments £000	Restricted £000	Unrestricted £000	2023 Total £000	2022 Total £000
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies						
Grants receivable: The Salvation Army Trust		-	-	22,373	22,373	23,547
Donations		-	1,329	939	2,268	3,834
Legacies		-	870	1	871	1,423
		-	2,199	23,313	25,512	28,804
Charitable Activities						
Centres' operations	2	-	473	79,302	79,775	73,469
Other social operations	3	-	581	90,016	90,597	71,683
Housing Association turnover	11	-	25,944	-	25,944	24,579
		-	26,998	169,318	196,316	169,731
Investments	4	-	193	1,657	1,850	1,390
Other						
Gains on disposal of fixed assets	5	-	29,068	-	29,068	1,437
TOTAL INCOME		-	58,458	194,288	252,746	201,362
EXPENDITURE ON:						
Raising Funds						
Investment management costs		-	-	50	50	50
		-	-	50	50	50
Charitable Activities						
Centres' operations	6	-	2,688	97,610	100,298	88,485
Other social operations	7	-	674	90,738	91,412	73,659
Housing Association operating costs	11	-	27,249	-	27,249	24,835
		-	30,611	188,348	218,959	186,979
TOTAL EXPENDITURE	8	-	30,611	188,398	219,009	187,029
Net Gains/(Losses) on Investments	15	31	1,494	(199)	1,326	10,446
NET INCOME/(EXPENDITURE)		31	29,341	5,691	35,063	24,779
Transfers between Funds *	20/21	-	(28,586)	28,586	-	-
Other Recognised Gains/(Losses)						
Actuarial Gains/(Losses) on Defined Benefit Pension Schemes	11	-	(501)	-	(501)	944
NET MOVEMENT IN FUNDS		31	254	34,277	34,562	25,723
RECONCILIATION OF FUNDS:						
19/20/21						
Total Funds brought forward		16,794	248,460	110,133	375,387	349,664
TOTAL FUNDS CARRIED FORWARD		16,825	248,714	144,410	409,949	375,387

All income and expenditure has arisen from continuing activities. £34,839k of the net income of funds disclosed above arises in the parent charity (2022: net income of £21,425k). *Transfers between funds arise from property transactions, because all funds expended on property assets are reflected as restricted funds, net of funding of homelessness and older people's services centres from legacy funds.

BALANCE SHEET

AS AT 31 MARCH 2023

		Group		Parent	
	Note	2023 £000	2022 £000	2023 £000	2022 £000
FIXED ASSETS					
Tangible Fixed Assets					
Properties	12	183,696	191,060	67,947	73,763
Property schemes in progress	13	7,712	5,600	7,635	5,523
Motor vehicles and equipment	14	968	406	164	199
Investments	15	164,737	163,411	131,237	131,411
TOTAL FIXED ASSETS		357,113	360,477	206,983	210,896
CURRENT ASSETS					
Stocks		208	174	208	174
Debtors and prepayments	16	28,676	28,975	26,504	27,350
Short-term deposits		44,077	10,730	44,077	10,730
Bank balances and cash		29,703	27,083	23,336	17,683
		102,664	66,962	94,125	55,937
CREDITORS: Amounts falling due within one year	17(a)	(28,302)	(28,213)	(18,950)	(19,513)
NET CURRENT ASSETS		74,362	38,749	75,175	36,424
TOTAL ASSETS LESS CURRENT LIABILITIES		431,475	399,226	282,158	247,320
Creditors: Amounts falling due outside one year	17(b)	(18,675)	(20,976)	-	-
Defined Benefit Pension Scheme Liability	10(c)	(2,851)	(2,863)	-	-
TOTAL NET ASSETS		409,949	375,387	282,158	247,320
FUNDS					
Endowment Funds	19	16,825	16,794	16,825	16,794
Restricted Funds	20				
Social Work Fund		82,230	82,543	82,230	82,543
Other Restricted Funds		166,484	165,917	38,693	37,850
		248,714	248,460	120,923	120,393
Unrestricted Funds	21	144,410	110,133	144,410	110,133
TOTAL FUNDS	22	409,949	375,387	282,158	247,320

Approved on behalf of The Salvation Army Trustee Company on 15 December 2023 by:



Lieut-Colonel Alan Read (Director)



Colonel Paul Main (Director)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £000	2023 £000	2022 £000	2022 £000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net Cash provided by/(used in) operating activities	23		9,820		(1,524)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment and rental income		1,850		1,390	
Additions to properties		(4,029)		(4,855)	
Additions to motor vehicles and equipment		(721)		(253)	
Additions to property schemes in progress		(2,191)		(1,833)	
Proceeds on disposal of motor vehicles and equipment		-		-	
Purchase of investments		-		-	
Proceeds on disposal of properties		33,874		4,107	
Management of short-term deposits		(33,347)		(3)	
Net Cash provided by investing activities			(4,564)		(1,447)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Interest payable		(473)		(865)	
(Decrease)/Increase in Bank Loans		(2,163)		(6,929)	
Net Cash provided by/(used in) financing activities			(2,636)		(7,794)
Change in Cash and Cash Equivalents in the year			2,620		(10,765)
Cash and Cash Equivalents at the beginning of the year			27,083		37,848
Cash and Cash Equivalents at the end of the year			<u>29,703</u>		<u>27,083</u>

ANALYSIS OF CHANGES IN NET DEBT

	Balance 1 April 2022 £000	Cash- Flows £000	Net Loan Movements £000	Balance 31 March 2023 £000
Cash at Bank	27,083	2,620	-	29,703
Loans falling due within one year	(2,507)	-	(9)	(2,516)
Loans falling due after more than one year	(19,800)	-	2,172	(17,628)
	<u>4,776</u>	<u>2,620</u>	<u>2,163</u>	<u>9,559</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements for the Social Work Trust, which have been consistently applied, are as follows:

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, subject to the inclusion of certain financial instruments and investment properties at fair value and donated properties at valuation on acquisition, and are in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition – October 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', The Salvation Army Act 1980, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

Going Concern

In preparing these financial statements the trustee has considered whether the charity has adequate financial resources to settle its debts as they fall due and can manage business risks. In reaching its decision, the trustee has considered the planning processes including financial projections, and consideration of the prevailing economic climate and its potential impact on the various income streams and planned expenditure.

There has been a marked increase in operational expenditure driven by salary increases, utility costs and general inflation. These same pressures will continue going forward. A move to the Real Living Wage in 2023/24 will address recruitment and retention challenges particularly within Homelessness and Older Peoples Services.

The Social Work Trust continues to be supported through the annual grant from The Salvation Army Trust. This is necessary as The Salvation Army provides additional services over and above contract requirements, such as chaplaincy, in accordance with its mission and values. In addition contracted services are not always able to achieve 'full cost recovery' of indirect support costs.

With regards to the Modern Slavery Victim Care contract, the SWT carries a disproportionate risk of Home Office penalties for missed KPI's compared to its sub-contractors. This is mitigated through careful monitoring and active management of the sub-contractor performance.

The sale of Booth House, Whitechapel, has provided an opportunity to rework a number of properties in line with the new Homelessness Services Strategy that is being developed.

In 2024/25 the primary focus upon financial sustainability will take precedence as income continues to be under pressure whilst operational demands continue and the economic environment drive costs upwards.

On the basis of the above, the trustee has concluded that there is no material uncertainty about the Trust's ability to meet its debts as they fall due for at least 12 months following approval of the financial statements and therefore continues to adopt the going concern basis in preparing its financial statements.

(b) Basis of Consolidation

The accounts of The Salvation Army Social Work Trust Group consolidate Saha's accounts using the acquisition method.

(c) Key judgements and estimates used in preparing these financial statements

(i) Financial instrument classification

The classification of financial instruments as 'basic' or 'other' requires judgement as to whether all applicable conditions as basic are met. This includes consideration of the form of the instrument and its return. It also includes the review of existing financial liabilities, such as loan agreements, to assess whether any modifications to the agreement will affect the classification of the instrument and its possible re-measurement. All financial instruments, including loans, are classified as 'basic'.

(ii) Capitalisation of property improvement and development costs

Property improvement and development schemes are reviewed to ascertain whether expenditure should be capitalised or charged to the Statement of Financial Activities. Expenditure which enhances the social use of the property or improves its economic return is capitalised. Expenditure which repairs a property and brings it back to its original condition is written off.

(iii) Useful lives of property, motor vehicles and equipment

The useful lives of properties and other fixed assets are reviewed at each reporting date and depreciation rates for asset categories adjusted accordingly if required.

(iv) Bad debt provision

Gross debtor balances are regularly reviewed by management, and where they assess that there is sufficient doubt as to recoverability a provision is made. In particular, accommodation charges outstanding are reviewed on a line-by-line basis and the provision is based on a number of factors including the age of the debt, value and the socio-economic situation of the debtor under review.

(v) Defined Benefit Obligation

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions, such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 10(c)). The group net defined benefit pension obligation at 31 March 2023 was £2,851,000.

(vi) Identification and valuation of investment properties

The Group's property portfolio is reviewed annually to identify investment properties, which are those properties held to earn income or for capital appreciation rather than to be used for its charitable purposes. Properties no longer used for charitable purposes but retained until market conditions allow their disposal are not treated as investment properties, provided disposal is intended within a two-year window.

After initial recognition, investment property is measured at its fair value based either on valuation by The Salvation Army Property Department or by an independent valuer. In either case the valuer will hold a recognised and relevant professional qualification. The property will be valued at each subsequent reporting date.

(vii) Contractual Income Obligations

Contractual income streams both restricted and unrestricted are controlled, monitored and reported upon against the respective contracts. The probability of returning funds to the contract provider is minimal; but by the very nature of the contracts themselves, the outcomes are monitored and reported upon on a regular basis. Should funds be returned this would be reported at the relevant committee and/or board.

(d) Income

- (i) Donations and Legacies:** Donations, including the gross equivalent of those made under Gift Aid, and legacies are brought into account in the year of receipt. Accrual is made for any material legacies outstanding at the year end provided their values can be measured reliably.
- (ii) Grants receivable** are recognised on an accruals basis. Grants received in advance of entitlement conditions being met are deferred on the balance sheet. If amounts are receivable for specific purposes, the income is shown as restricted. Grants received for the acquisition or development of properties are credited to restricted funds when they are receivable providing that any conditions attached to the grants have been fulfilled. Where, at the balance sheet date, conditions remain unfulfilled, the grants are deferred pending satisfaction of these conditions. Depreciation on the properties is charged to restricted funds.
- (iii) Investment Income:** Dividends and interest are brought into account gross in the year they are due.
- (iv) Realised gains on disposal** of assets are reflected in the Statement of Financial Activities in the year of disposal. Profits on disposal of investments are calculated by reference to the asset's carrying value.
- (v) Maintenance and Special Care Income** is recognised on an accruals basis when legal entitlement exists, receipt is probable and the amount can be quantified with reasonable accuracy.

(e) Expenditure

(i) Total expenditure includes:

Charitable Activities costs reflect all expenditure relating directly to the objects of the charity, attributable overheads and allocation of governance costs. Attributable overheads are allocated over the range of charitable activities on an actual basis where possible, otherwise on a basis which is consistent with the utilisation of resources.

Governance Costs reflects the costs incurred under the governance arrangements of the charity which consist of the costs of complying with legislation including audit, legal services and strategic planning. Support costs have been apportioned to each category of expenditure: number of Full-Time Equivalent, equipment per headcount, transactions and buildings per cost centre.

- (ii) Expenditure is charged** on the accruals basis when a legal or constructive obligation arises, and when the amount can be recognised accurately.
- (iii) Irrecoverable Value Added Tax** is charged to the related heads of expenditure.

(iv) Pension and Similar Costs

The Salvation Army Social Work Trust contributes to three pension or similar schemes in respect of its staff:

- The Salvation Army Retired Officers Allowance Fund relating to Salvation Army officers;
- The Salvation Army Employees Pension Fund for other staff; and
- A defined contribution scheme.

The Salvation Army Retired Officers Allowance Fund is a registered charity and operates on the same basis as a defined benefit scheme but the benefits are not guaranteed. A standard annual contribution per unit is made to the Retired Officers Allowance Fund, which is charged in the accounts in the year in which payment is made.

The Salvation Army Employees Pension Fund is a defined benefit pension scheme which was closed to new members on 31 December 2011. The scheme is a multi-employer scheme and the actuary has confirmed that it is not practical to allocate the assets and liabilities of the scheme between participating employers. Pension costs are therefore reflected in the accounts when payments to the pension scheme fall due. The charity also recognises any contractual liability to fund a past service deficit as agreed with the Pension Scheme Trustees. Any resulting expense will be reflected through the Statement of Financial Activities. When the contribution is not expected to be settled prior to 12 months after the year end, the full liability is recognised at the present value of the contributions payable using a discounted rate. No such contractual liability existed at the current year end.

Since 1 January 2012, employees can join a defined contribution scheme.

The Salvation Army Housing Association (Saha) participates in the following pension schemes:

- (i) Social Housing Pension Scheme, a multi-employer defined benefit scheme. Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses. The net defined benefit pension obligation at 31 March 2023 was £2,851,000.
- (ii) The auto-enrolment SHPS defined contribution pension scheme, the contributions on which are charged when payments to the pension scheme fall due.
- (iii) The Pension Trust Growth Plan, a multi-employer defined benefit scheme. The pension charge represents the amounts payable by the company to the scheme in respect of the year. In the past, this scheme included a defined benefit element as the pensions were index-linked, so where there is a contractual obligation to make payments under a deficit reduction plan in respect of the former defined benefit element of the scheme, this has been recognised as a liability in full in the financial statements.

(f) Fixed Assets

- (i) **Expenditure on the acquisition or improvement of property** is reflected as a fixed asset, whereas costs of repairs and renewals to property are charged to the Statement of Financial Activities. The non-capital element of property schemes is written off in the year in which costs are incurred. All properties are disclosed at cost less accumulated depreciation other than Saha properties at the dates of acquisition (19 January 2011 and 23 March 2017) which were brought into account at those dates at fair values (being an existing use social housing valuation (EUV - SH) prepared by independent chartered surveyors). These properties are subsequently depreciated at the rates indicated below.
- (ii) **Expenditure on the acquisition of vehicles** is capitalised and expenditure on computer equipment and other office equipment which exceeds £15,000 in value is capitalised and depreciated over its economic life. Any equipment acquired at centres is written off in the year of acquisition.
- (iii) In accordance with FRS 102 component accounting has been adopted for freehold and long-leasehold properties. A property comprises of major components with substantially different useful lives. Depreciation is charged on major components so as to write off the cost of the components to their residual values, over their estimated useful lives, using the straight-line method, as follows:

Freehold Land	Not depreciated
Building – Main Fabric (structure)	50 years
<u>Major Components</u>	
Roof structure and covering	50 years
Bathrooms and WCs	20-30 years
Lifts	25 years
Mechanical and Electrical Systems	25 years
Windows and External Doors	25 years
Kitchens	20 years

Short-leasehold properties are depreciated over the term of the lease.

- (iv) Depreciation is provided on other tangible fixed assets at the following rates:

Motor Vehicles	- 25-33% pa on cost
Office Equipment	- 10-33% pa on cost
- (v) The Social Work Trust has achieved partnership status with the Homes and Communities Agency which means that it can access capital funds from this source to assist with the costs of schemes. Saha has always been able to access this funding. Grants arising are credited to restricted income except where the income is subject to certain restrictions which remain unfulfilled at the accounting reference date, in which case the income is deferred. A proportion of the depreciation charge arising on the properties concerned is charged against these restricted funds.

(g) Investments and Investment Properties

To comply with the Charities SORP, investments are included at fair value (their market value bid price). Realised gains on investments are calculated as the difference between sales proceeds and the market value of those investments.

The Salvation Army Social Work Trust does not hold any investment properties. However, its subsidiary Saha owns properties held for market rent or commercial lettings, and these are included as investment properties and are recorded at fair value with changes in the market value reported annually in the statement of financial activities. The fair value of the investment property is determined by using a valuation undertaken by Savills, an independent professional valuer, or by members of staff with relevant experience and qualifications.

(h) Stocks

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

(i) Funds

(i) Endowments consist of permanent endowments and expendable endowments. The capital of permanent endowments must by law be retained. Expendable endowments are funds where the capital can be maintained or expended at the discretion of the Trustee. It is the Trustee's current intention that the capital will be maintained.

(ii) Social Work Fund represents monies already expended on the acquisition, construction and improvement of freehold and leasehold properties, schemes in progress and unspent funds.

(iii) Restricted Funds are held for restricted purposes, as specified by the donors. All Saha funds are reflected in the consolidated accounts as restricted funds.

(iv) Unrestricted Funds include:

- Designated Reserves held for particular purposes designated by The Salvation Army in the exercise of its discretionary powers;
- Unrealised Gains Reserve held to separate recognised gains still subject to market risk; and
- General Reserve representing the net assets not designated for specific purposes.

(j) Foreign Currency Translation

Exchange gains and losses arising from overseas operations are dealt with through the Statement of Financial Activities and are reflected under Charitable Expenditure. Transactions in foreign currencies are translated at the rates prevailing at the beginning of the month whereas monetary assets and liabilities at the year end are translated at the closing rates.

2. CHARITABLE ACTIVITIES: CENTRE OPERATIONS

	2023				2022
	Maintenance & Special Care Allowance £000	Supporting People £000	Local Authority & Other Grants £000	Catering & Miscellaneous Income £000	Total £000
Social Services Centres					
Older People	12,863	-	7	52	12,922
Single Homeless	9,407	9,610	600	291	19,908
Family and Children	1,498	2,416	480	456	4,850
Day Care	-	235	-	74	309
Addictions	574	736	-	162	1,472
Other Non-Residential Programmes	-	1,108	996	1,181	3,285
	24,342	14,105	2,083	2,216	42,746
Housing Association Centres					
Older People	1,074	-	7	3	1,084
Single Homeless	22,236	10,479	597	587	33,899
Family and Children	854	611	42	36	1,543
Addictions	-	-	-	-	-
	24,164	11,090	646	626	36,526
Social Enterprise	-	29	43	431	503
Total 2023	48,506	25,224	2,772	3,273	79,775
Total 2022	42,647	24,481	4,159	2,182	73,469

Prior-year comparatives have been adjusted in line with the updated account coding structure following an in-depth cross trust review. There has been no change to overall totals.

£228,000 (2022: £169,000) of Government Grants, £1,987,000 (2022: £2,746,000) of Local Authority Grants and £557,000 (2022: £1,244,000) of Other Grants were received as part of the centre's operations income.

	2022			
	Maintenance & Special Care Allowance £000	Supporting People £000	Local Authority & Other Grants £000	Catering & Miscellaneous Income £000
Social Services Centres				
Older People	12,561	-	-	56
Single Homeless	8,010	9,564	706	314
Family and Children	1,394	2,392	545	416
Day Care	-	231	-	47
Addictions	483	728	-	2
Other Non-Residential Programmes	-	1,192	1,569	754
	22,448	14,107	2,820	1,589
Housing Association Centres				
Older People	1,093	-	-	3
Single Homeless	18,381	9,748	1,213	360
Family and Children	725	595	44	21
Addictions	-	-	-	-
	20,199	10,343	1,257	384
Social Enterprise	-	31	82	209
Total 2022	42,647	24,481	4,159	2,182

3. OTHER SOCIAL OPERATIONS

	2023				2022
	Maintenance & Special Care Allowance £000	Home Office Contract £000	Local Authority & Other Grants £000	Catering & Miscellaneous Income £000	Total £000
Employment Plus	-	-	3,976	49	4,025
Anti-Human Trafficking	-	78,315	12	8,000	86,327
Defence Services Operations	-	-	-	186	186
Family Tracing, Counselling etc	-	-	-	59	59
Total 2023	-	78,315	3,988	8,294	90,597
Total 2022	-	62,108	4,902	4,673	71,683

Local Authority and Other Grants include £2,407,000 (2022: £3,049,000) of Employment Services Contracts and £1,565,000 (2022: £1,570,000) of Government Grants.

	2022			
	Maintenance & Special Care Allowance £000	Home Office Contract £000	Local Authority & Other Grants £000	Catering & Miscellaneous Income £000
Employment Plus	-	-	4,883	(6)
Anti-Human Trafficking	-	62,108	19	4,465
Defence Services Operations	-	-	-	173
Family Tracing, Counselling etc	-	-	-	41
Total 2022	-	62,108	4,902	4,673

4. INVESTMENTS

	Restricted £000	Unrestricted £000	2023 Total £000	2022 Total £000
Dividends and Interest receivable	178	1,091	1,269	907
Rents receivable	15	566	581	483
	193	1,657	1,850	1,390

5. OTHER INCOME

	Endowments	Restricted	Unrestricted	2023 Total	2022 Total
	£000	£000	£000	£000	£000
Gain/(loss) on disposal of properties	-	29,068	-	29,068	1,437
	-	29,068	-	29,068	1,437

6. ANALYSIS OF CENTRES' OPERATIONS COSTS

	2023						2022
	Salaries & Other Staff Costs £000	Catering, Cleaning & Other Services £000	Other Operating Costs £000	Property & Furnishings £000	Support Costs £000	Governance Costs £000	Total £000
Social Services Centres							
Older People	13,771	1,027	803	2,599	1,997	32	20,229
Single Homeless	12,459	504	4,708	2,589	1,653	34	21,947
Family and Children	3,598	23	373	720	823	9	5,546
Day Care Centres	406	28	4	50	93	6	587
Addictions	1,330	5	89	381	187	3	1,995
Other Non-Residential Programmes	4,462	482	1,024	1,064	950	14	7,996
	36,026	2,069	7,001	7,403	5,703	98	58,300
Housing Association Centres							
Older People	848	107	274	215	218	3	1,665
Single Homeless	17,890	2,163	8,299	5,844	3,083	63	37,342
Family and Children	1,034	2	297	324	282	3	1,942
Addictions	-	-	-	-	-	-	-
	19,772	2,272	8,870	6,383	3,583	69	40,949
Social Enterprise	418	219	68	232	112	-	1,049
Total Costs 2023	56,216	4,560	15,939	14,018	9,398	167	100,298
Total Costs 2022	50,587	3,818	13,423	11,800	8,625	232	88,485

Prior-year comparatives have been adjusted in line with the updated account coding structure following an in-depth cross trust review. There has been no change to overall totals.

Governance costs include external audit fees, exclusive of VAT, of £129,800 (2022: £112,200).

£2,688,000 (2022: £3,987,000) of centres' operations costs are funded from restricted funds.

Other Non-Residential Programmes expenditure in the above table includes expenditure of £1.83 million (2022: £1.37m) for Strawberry Field and £1.49 million (2022: £1.20m) for Hadleigh Farm.

	2022						
	Salaries & Other Staff Costs £000	Catering, Cleaning & Other Services £000	Other Operating Costs £000	Property & Furnishings £000	Support Costs £000	Governance Costs £000	Total £000
Social Services Centres							
Older People	11,958	845	687	2,048	1,212	44	16,794
Single Homeless	11,937	427	3,274	2,775	904	51	19,368
Family and Children	3,370	17	341	664	613	13	5,018
Day Care Centres	357	14	25	183	113	2	694
Addictions	1,261	3	212	250	265	5	1,996
Other Non-Residential Programmes	4,108	361	760	567	756	17	6,569
	32,991	1,667	5,299	6,487	3,863	132	50,439
Housing Association Centres							
Older People	859	92	202	106	176	4	1,439
Single Homeless	15,534	1,785	7,579	4,804	4,225	89	34,016
Family and Children	858	6	283	227	222	4	1,600
Addictions	-	-	2	-	-	-	2
	17,251	1,883	8,066	5,137	4,623	97	37,057
Social Enterprise	345	268	58	176	139	3	989
Total Costs 2022	50,587	3,818	13,423	11,800	8,625	232	88,485

7. OTHER SOCIAL OPERATIONS

	2023						2022
	Salaries & Other Staff Costs £000	Catering, Cleaning & Other Services £000	Other Operating Costs £000	Property & Furnishings £000	Support Costs £000	Governance Costs £000	Total £000
Social Services Centres							
Employment Plus	6,107	4	58	91	285	-	5,534
Anti-Human Trafficking	6,432	76	73,591	986	287	3	65,553
Defence Services Operations	175	95	33	3	27	-	324
Family Tracing, Counselling etc	1,954	7	1,001	18	179	-	2,248
Total Costs 2023	14,668	182	74,683	1,098	778	3	73,659
Total Costs 2022	12,301	123	58,111	987	2,109	28	73,659

Employment Plus includes a number of matched funding contracts. As part of these contracts The European Commission funds 50% of the total expenditure and the other 50% is matched by The Salvation Army and charged against the Social Work Trust's reserves.

	2022						
	Salaries & Other Staff Costs £000	Catering, Cleaning & Other Services £000	Other Operating Costs £000	Property & Furnishings £000	Support Costs £000	Governance Costs £000	Total £000
Employment Plus	5,752	2	(566)	125	221	-	5,534
Anti-Human Trafficking	4,513	44	57,699	844	2,425	28	65,553
Defence Services Operations	183	72	26	2	41	-	324
Family Tracing, Counselling etc	1,853	5	952	16	(578)	-	2,248
Total Costs 2022	12,301	123	58,111	987	2,109	28	73,659

7. ANALYSIS OF CENTRES' OPERATIONS COSTS AND OTHER SOCIAL OPERATIONS (Cont.)

Support Costs consist of:

	2023 £000	2022 £000
Governance	404	426
Communications	180	190
Personnel	3,216	3,391
Business Administration	6,156	6,492
Mission Service Management	220	232
Total	10,176	10,731

During financial year 22/23 an exercise to synchronise internal management reporting with external financial requirements was undertaken. This exercise was retrospectively applied to the financial year 21/22 figures to provide meaningful comparatives.

8. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs £000	Depreciation £000	Other Costs £000	2023 Total £000	2022 Total £000
Raising funds	-	-	50	50	50
Charitable activities	70,884	6,786	141,289	218,959	186,979
	70,884	6,786	141,339	219,009	187,029

9. PERSONNEL

	2023 Parent £000	2022 Parent £000	2023 Subsidiary £000	2022 Subsidiary £000	2023 Total £000	2022 Total £000
Allowances and salaries	47,894	44,880	8,947	8,702	56,841	53,582
Social security costs	4,457	3,870	771	650	5,228	4,520
Pension and similar costs	3,593	3,400	1,319	819	4,912	4,219
Redundancy costs	29	56	50	181	79	237
	55,973	52,206	11,087	10,352	67,060	62,558

Redundancy Costs

Redundancy costs relating to employees in the Social Work Trust, including Saha, amounted to £78,883 (2022: £236,924). These costs are the result of staff restructuring at centres and closure of centres. Redundancy costs are recognised once a decision to make a post redundant has been communicated to an individual or the workforce.

The average number of officer and employees and full-time equivalent (FTE) officers and employees was:

	2023 Headcount No.	2023 FTE No.	2022 Headcount No.	2022 FTE No.
Trust				
Number of officers	77	68	75	63
Number of employees	2,228	1,664	1,847	1,573
	2,305	1,732	1,922	1,636
Subsidiary	317	209	315	203
Total	2,622	1,941	2,237	1,839

Higher-Paid Employees

The following indicates the number of the group's employees earning between:

	2023 Parent No.	2023 Subsidiary No.	2023 Total No.	2022 Total No.
£60,001 - £70,000	7	-	7	5
£70,001 - £80,000	3	2	5	7
£80,001 - £90,000	4	4	8	-
£90,001 - £100,000	2	-	2	3
£100,001 - £110,000	1	1	2	-
£110,001 - £120,000	-	-	-	1
£120,001 - £130,000	-	1	1	-
£140,001 - £150,000	-	1	1	-
£160,001 - £170,000	-	-	-	-
	17	9	26	17

The directors of The Salvation Army Trustee Company comprise Salvation Army officers and other external directors with specialist expertise. All active Salvation Army officers receive an allowance based on length of service and, as ministers of religion, are provided with furnished accommodation and a motor vehicle. The allowances received by the officers serving as directors ranged from £19,377.96 to £25,471.57 per annum and they did not receive any additional remuneration for their duties as directors. No allowances or salaries paid to any of the directors are charged direct to the Social Work Trust.

No trustees' expenses were charged to the Social Work Trust.

The costs of indemnity insurance, to protect The Salvation Army Trustee Company directors against claims for neglect or default, were borne by The Salvation Army Trust.

Certain directors of Saha are remunerated. Lieut-Colonel Drew McCombe is a director of both Saha and of The Salvation Army Trustee Company. He is remunerated £4,000 which is donated to The Salvation Army Trustee Company.

In addition to this the relatives of some Salvation Army officers are employed by The Salvation Army and are paid in accordance with the normal scale rates for the roles they perform.

Key Management Personnel

The key management personnel of the Trust are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly, including the directors of The Salvation Army Trustee Company as the Corporate Trustee of the Trust. The Trustee considers the key management personnel of the Trust to be the executive directors (officers and employees) of the Board. The total aggregate remuneration, including pension contributions, paid to key management personnel during the year was £238,766 (2022: £200,942). As detailed above, no allowances or salaries paid to any of the directors are charged directly to the Social Work Trust.

10. PENSION AND SIMILAR COSTS

The Salvation Army Social Work Trust contributes to three pension or similar schemes in respect of its staff:

- (i) The Salvation Army Retired Officers Allowance Fund relating to Salvation Army officers,
- (ii) The Salvation Army Employees Pension Fund for other staff,
- (iii) A defined contribution scheme set up to offer employees who are not members of The Salvation Army Employees Pension Fund the opportunity to join a pension scheme following the closure of the Employee Pension Scheme to new members with effect from 31 December 2011.

Amounts charged in respect of pension fund contributions for the year are disclosed in Note 9 above.

(a) SALVATION ARMY RETIRED OFFICERS ALLOWANCE FUND

The Salvation Army Retired Officers Allowance Fund was established by The Salvation Army Act 1963 under the legal name, The Salvation Army Officers Pension Fund. It is a registered charity and operates on the same basis as a defined benefit scheme, but the benefits are not guaranteed. It is non-contributory by the officer, but a contribution currently equivalent to £5,498 per officer, per annum (2022: £4,870), is made by The Salvation Army. Officers in both principal Trusts (The Salvation Army Trust and The Salvation Army Social Work Trust) participate in the scheme and it is not possible to allocate the assets and constructive liabilities of the Fund between the Trusts. Therefore, the Fund is accounted for in a similar way as a multi-employer pension fund.

The Salvation Army Retired Officers Allowance Fund was subject to a triennial actuarial review on 31 March 2022, using the Attained Age Method, and this was based on the following principal assumptions:

Post-Retirement Discount Rate	2.9% per annum
Pre-Retirement Discount Rate	3.7% per annum
Rate of Increase in Allowances and Pensions	4.5% per annum
Rate of Inflation	4.0% per annum

The market value of the Fund's assets at the valuation date amounted to £278.5m whereas the value of past service ongoing liabilities amounted to £247.1m resulting in a funding surplus of £31.4m.

The Fund Actuary will review the funding position each December to 31 March 2025.

As the Scheme has a funding surplus, no deficit funding provision is required.

(b) SALVATION ARMY EMPLOYEES PENSION FUND

The Salvation Army Employees Pension Fund is a funded defined benefit scheme. The contribution rate payable by members is 8% of pensionable salaries and the employer's contribution is 30.2% of pensionable salaries.

The Scheme is a multi-employer scheme incorporating six employers. It closed to new members with effect from 31 December 2011. The actuary has confirmed that it is not practical to allocate the assets and liabilities of the scheme between participating employers and therefore it is accounted for as a multi-employer scheme.

The Scheme is subject to triennial actuarial valuations. The last actuarial valuation was completed, using the Projected Unit Method, at 31 March 2021.

The review was based on the following assumptions:

Post-retirement discount rate	1.22% per annum
Pre-retirement discount rate	0.72% per annum
Rate of salary increases	3.55% per annum
Rate of pension increase:	
On pensions accrued before 6 April 2006	3.0% per annum
On pensions accrued after 6 April 2006	2.1% per annum
Inflation: RPI	3.05% per annum
CPI	2.3% per annum
Deferred Pension Increases (pre 6 April 2009)	3.12% per annum
Deferred Pension increases (post 6 April 2009)	2.02% per annum

The market value of the Fund's assets on the valuation date was £213.7m and the value of technical provisions amounted to £211.1m giving rise to a funding surplus of £2.5m.

On 30 April 2023 the Scheme closed to future accrual for active members. Active members of the Fund as at 30 April 2023 are categorised as an 'Employed Deferred Member'. Employed Deferred Members are entitled to a deferred pension from the Fund which will increase in line with statutory requirements. As part of the Employer's proposal a link to their salary remains. This acts as an underpin so that if the final salary link was more valuable than inflation protection, the final salary link would prevail. If an Employed Deferred Member leaves employment before their retirement, the salary link will be broken. In this scenario the Employed Deferred Member's pension will be recalculated to reflect the better of salary increases or the rise of inflation. The recalculated deferred pension which has been accrued prior to 6 April 2009 will increase in line with 'deferred revaluation orders', broadly the increase in CPI each year, subject to a maximum of 5% per annum, for each complete year from the date of leaving until Normal Retirement Age.

(c) SOCIAL HOUSING PENSION SCHEME (SHPS)

Saha participates in SHPS, a multi-employer pension scheme which provides benefits to non-associated participating employers. The scheme is classed as a defined benefit scheme in the UK. The scheme is classified as a 'last man standing' arrangement. Therefore the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

Under the defined benefit pension accounting approach, the SHPS net deficit as at 1 April 2022 is £2,863k and £2,851k as at 31 March 2023.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years, and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET/(LIABILITY)

	2023 £000	2022 £000
Fair value of plan assets	12,287	18,477
Present value of defined benefit obligation	(15,138)	(21,340)
Surplus/(deficit) in plan	(2,851)	(2,863)
Deferred tax	-	-
Net defined benefit asset/(liability) to be recognised	(2,851)	(2,863)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	2023 £000	2022 £000
Defined benefit obligation at start of period	21,340	21,446
Expenses	13	13
Interest expense	584	460
Actuarial losses/(gains) due to scheme experience	188	1,833
Actuarial losses/(gains) due to changes in demographic assumptions	(36)	(340)
Actuarial losses/(gains) due to changes in financial assumptions	(6,173)	(1,600)
Benefits paid and expenses	(778)	(472)
Defined benefit obligation	15,138	21,340

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	2023 £000	2022 £000
Fair value of plan assets at start of period	18,477	17,257
Interest income	513	374
Experience on plan assets (excluding amounts included in interest income) — gain/(loss)	(6,522)	837
Contributions by the employer	597	481
Benefits paid and expenses	(778)	(472)
Fair value of plan assets at end of period	12,287	18,477

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2023 was £6,009,000 (2022: £1,211,000).

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF FINANCIAL ACTIVITIES

	2023 £000	2022 £000
Expenses	13	13
Net interest expense	71	86
Total expense	84	99

DEFINED BENEFIT COSTS RECOGNISED IN OTHER RECOGNISED GAINS AND LOSSES

	2023 £000	2022 £000
Experience on plan assets (excluding amounts included in net interest cost) – gain/(loss)	(6,522)	837
Experience gains and (losses) arising on the plan liabilities	(188)	(1,833)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/(loss)	36	340
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain/(loss)	6,173	1,600
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain/(loss)	(501)	944
Total amount recognised in other recognised gains/(losses)	(501)	944

ASSETS

	2023 £000	2022 £000
Global Equity	229	3,546
Absolute Return	133	741
Distressed Opportunities	372	661
Credit Relative Value	464	614
Alternative Risk Premia	23	609
Emerging Markets Debt	66	538
Risk Sharing	904	608
Insurance-Linked Securities	310	431
Property	529	499
Infrastructure	1,403	1,316
Private Debt	547	474
Opportunistic Liquid Credit	526	621
High Yield	43	159
Opportunistic Credit	1	66
Cash	89	63
Corporate Bond Fund	-	1,233
Long Lease Property	371	475
Secured Income	564	688
Liability Driven Investment	5,658	5,156
Currency Hedging	24	(72)
Net Current Assets	31	51
Total assets	12,287	18,477

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

KEY ASSUMPTIONS

	2023 % per annum	2022 % per annum
Discount Rate	4.87%	2.79%
Inflation (RPI)	3.19%	3.59%
Inflation (CPI)	2.75%	3.20%
Salary Growth	3.75%	4.20%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2023	21.0
Female retiring in 2023	23.4
Male retiring in 2043	22.2
Female retiring in 2043	24.9

EMPLOYER PENSION CONTRIBUTIONS

	2023 £000	2022 £000
Defined benefit employer contributions including deficit contributions	597	481
Growth Plan deficit contributions	347	30
Auto-enrolment and SHPS defined contribution including deficit contribution	375	308
	1,318	819

The defined benefit pension costs for Salvation Army Housing Association was £596,860 (2022:£481,349). The pension cost is assessed in accordance with the advice of a qualified actuary using the Projected Unit Fund Method and is not materially different from that arising from the current employer's contribution rate.

(d) THE GROWTH PLAN

Saha participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for Saha to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, Saha is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2023 to 31 January 2025:	£3,312,000 per annum – payable monthly

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies. Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11,243,000 per annum – (payable monthly and increasing by 3% each on 1 April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the group has agreed to a deficit funding arrangement, the group recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUE OF PROVISION

	2023 £000	2022 £000	2021 £000
Present value of provision	18	28	120

RECONCILIATION OF OPENING AND CLOSING CREDITOR

	2023 £000	2022 £000
Provision at start of period	28	120
Unwinding of the discount factor (interest expense)	1	1
Deficit contribution paid	(10)	(31)
Remeasurements – impact of any change in assumptions	(1)	(1)
Remeasurements – amendments to the contribution schedule	-	(61)
Provision at end of period	18	28

INCOME AND EXPENDITURE IMPACT

	2023 £000	2022 £000
Interest expense	1	1
Remeasurements – impact of any change in assumptions	(1)	(1)
Remeasurements – amendments to the contribution schedule	-	(61)

ASSUMPTIONS

	2023 % per annum	2022 % per annum	2021 % per annum
Rate of discount	5.52	2.35	0.66

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the group and the scheme at each year end period:

	2023 £000	2022 £000	2021 £000
Year 1	10	10	30
Year 2	9	10	31
Year 3	-	9	32
Year 4	-	-	28
Year 5	-	-	-
Year 6	-	-	-
Year 7	-	-	-
Year 8	-	-	-
Year 9	-	-	-
Year 10	-	-	-

The group must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account, ie the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the group's balance sheet liability.

Saha also allows the employees to pay additional voluntary contributions (AVCs) into their pension scheme. The amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the financial year. The contributions due in the year were £nil (2022: £nil).

AUTO-ENROLMENT

As a result of the introduction of pensions 'auto-enrolment' by the Government, the cost of the new defined contribution scheme administered by SHPS was £375,232 (2022: £288,259) covering 305 employees (2022: 298 employees).

11. SALVATION ARMY HOUSING ASSOCIATION TURNOVER AND OPERATING COSTS

By virtue of Saha's governing instrument, The Salvation Army Social Work Trust has effective control of Saha. The net assets of Saha and its subsidiaries have been consolidated within these accounts. The net assets of the Saha Group were, on acquisition, adjusted to fair values.

For the purpose of establishing fair values, Saha's property portfolio was valued by an independent chartered surveyor on an existing use social housing (EUV – SH) basis.

Saha's results, adjusted to reflect The Salvation Army Social Work Trust's accounting policies, were as follows.

	2023		2022	
	£000	£000	£000	£000
Turnover		25,944		24,579
Grants Received		-		-
		<u>25,944</u>		<u>24,579</u>
Operating Costs				
Staff Costs	(9,956)		(8,863)	
Other Costs*	(11,140)	(21,096)	(9,728)	(18,591)
		<u></u>	<u></u>	
Interest Payable		(473)		(865)
Property Depreciation		(5,661)		(5,330)
Tax		(19)		(49)
Gain/(Loss) on Disposal of Assets (Note 5)		(34)		659
Gain/(Loss) on revaluation of investment properties (Note 15)		1,500		2,950
Interest Receivable (Note 4)		64		1
Social Housing Pension Scheme (SHPS) Remeasurement of Obligation		-		-
Actuarial Gain/(Loss)		(501)		944
		<u>(276)</u>		<u>4,298</u>

*Other Costs includes temporary agency staff costs of £1,130,496 (2022: £1,489,803)

12. PROPERTIES

GROUP	Freehold £000	Leasehold £000	Total £000
Cost or Valuation			
Balance at 1 April 2022	207,301	52,309	259,610
Additions during the year	2,680	1,349	4,029
Schemes completed during the year (Note 13)	40	-	40
	<u>210,021</u>	<u>53,658</u>	<u>263,679</u>
Less: Disposals	(5,390)	(404)	(5,794)
	<u>204,631</u>	<u>53,254</u>	<u>257,885</u>
Balance at 31 March 2023			
Accumulated Depreciation			
Balance at 1 April 2022	52,638	15,912	68,550
Charge for the year	4,671	1,956	6,627
Less: Disposals	(750)	(238)	(988)
	<u>56,559</u>	<u>17,630</u>	<u>74,189</u>
Balance at 31 March 2023			
Net Book Value at 31 March 2023	<u>148,072</u>	<u>35,624</u>	<u>183,696</u>
Net Book Value at 31 March 2022	<u>154,663</u>	<u>36,397</u>	<u>191,060</u>

Both Saha's portfolio (on 19 January 2011) and Saha's acquisition, Chapter 1's, portfolio (on 23 March 2017) were brought into account at valuation, performed by independent chartered surveyors on an existing use social housing (EUV-SH) basis. All other properties are reflected at cost.

PARENT	Freehold £000	Leasehold £000	Total £000
Cost			
Balance at 1 April 2022	108,219	568	108,787
Additions during the year	745	-	745
Schemes completed during the year	40	-	40
	109,004	568	109,572
Less: Disposals	(4,974)	-	(4,974)
Balance at 31 March 2023	104,030	568	104,598
Accumulated Depreciation			
Balance at 1 April 2022	34,906	118	35,024
Charge for the year	2,129	14	2,143
Less: Disposals	(516)	-	(516)
Balance at 31 March 2023	36,519	132	36,651
Net Book Value at 31 March 2023	67,511	436	67,947
Net Book Value at 31 March 2022	73,313	450	73,763

All properties are used for charitable purposes. The market values of these properties are significantly higher than their book values but the costs of estimating these exceed any benefits accruing.

Group properties and schemes in progress have attracted capital funding from Homes England of £150.521m (£17.174 million by the parent charity). Should these properties be sold, this amount will be repayable to Homes England (the amounts repayable being limited by the proceeds of sale) unless Homes England consent to this funding being recycled to other schemes.

The Salvation Army, in common with other churches, provides ministers of religion (officers) and retired ministers of religion with accommodation and holds a portfolio of properties to allow it to do so. Occasionally properties are not required immediately to provide accommodation to officers and retired officers and these, where possible, are let on short-term tenancies until required to accommodate officers. The Salvation Army does not consider these properties to be investment properties as their availability for use, other than for the work of the charity, is typically of limited duration.

13. PROPERTY SCHEMES IN PROGRESS

	GROUP		PARENT	
	2023 £000	2022 £000	2023 £000	2022 £000
Balance at 1 April 2022	5,600	4,671	5,523	4,370
Additions during the year	2,191	1,833	2,191	1,833
	7,791	6,504	7,714	6,203
Property schemes capitalised during the year	(40)	(487)	(40)	(487)
Scheme's revenue expenditure	(39)	(417)	(39)	(193)
Balance at 31 March 2023	7,712	5,600	7,635	5,523

14. MOTOR VEHICLES AND EQUIPMENT

GROUP	Motor Vehicles £000	Equipment £000	Total £000
Cost			
Balance at 1 April 2022	1,410	1,824	3,234
Additions during the year	48	673	721
Disposals	-	-	-
Balance at 31 March 2023	1,458	2,497	3,955
Accumulated Depreciation			
Balance at 1 April 2022	1,211	1,617	2,828
Charge for the year	83	76	159
Disposals	-	-	-
Balance at 31 March 2023	1,294	1,693	2,987
Net Book Value at 31 March 2023	164	804	968
Net Book Value at 31 March 2022	199	207	406

PARENT	Motor Vehicles £000	Equipment £000	Total £000
Cost			
Balance at 1 April 2022	1,367	-	1,367
Additions during the year	48	-	48
Disposals	-	-	-
Balance at 31 March 2023	1,415	-	1,415
Accumulated Depreciation			
Balance at 1 April 2022	1,168	-	1,168
Charge for the year	83	-	83
Disposals	-	-	-
Balance at 31 March 2023	1,251	-	1,251
Net Book Value at 31 March 2023	164	-	164
Net Book Value at 31 March 2022	199	-	199

15. INVESTMENTS

FIXED ASSET INVESTMENTS

GROUP AND PARENT	Unlisted £000	Units in CIF 1 £000	Units in CIF 2	Total £000
Cost/Market Value at 1 April 2022	5	3,742	127,664	131,411
Additions	-	-	-	-
Unrealised Gains/(Losses) on investments	-	107	(281)	(174)
Cost/Market Value at 31 March 2023	5	3,849	127,383	131,237

At 31 March 2023, units held in The Salvation Army Common Investment Fund No 1 had a unit value of £2.8514 (2022: £2.7720).

At 31 March 2023, units held in The Salvation Army Common Investment Fund No 2 had a unit value of £3.7552 (2022: £4,1406).

Salvation Army Social Work Trust holds one £1 share and has the power to control Salvation Army Housing Association (Saha). The Salvation Army Housing Association is registered with the Co-operative and Community Benefit Societies Act 2014 and is a registered social landlord regulated by The Regulator of Social Housing. Saha itself owns the whole of the issued share capital of Kingsown Limited and Saha Developments Limited, companies incorporated in England. The results and net assets of Saha, Kingsown and Saha Developments have been consolidated within these accounts.

INVESTMENT PROPERTIES

	GROUP	
	2023 £000	2022 £000
Balance at 1 April 2022	32,000	29,050
Additions during the year	-	-
Property revaluation adjustment – increase/decrease in value	1,500	2,950
Investment property valuation at year end	33,500	32,000
Fixed Assets Investments (from above)	131,237	131,411
Total Investments	164,737	163,411

This property at Waterloo, London is used for student accommodation. The revaluation undertaken by Savills, professional external valuers, at 31 March 2023 has resulted in an increase in the property valuation.

16. DEBTORS AND PREPAYMENTS

	GROUP		PARENT	
	2023 £000	2022 £000	2023 £000	2022 £000
Accommodation charges outstanding	4,219	1,549	3,465	916
Sundry debtors and accrued income	10,269	14,032	8,851	13,040
Connected Salvation Army Trusts and Companies	14,188	13,394	14,188	13,394
	28,676	28,975	26,504	27,350

The 2022 comparatives analysis has been restated for consistency with the current year analysis. This has resulted in the grossing up of both debtors and creditors (see note 17(a)) by equal and opposite amounts.

17. (a) CREDITORS: Amounts falling due within one year

	GROUP		PARENT	
	2023 £000	2022 £000	2023 £000	2022 £000
Trade creditors and accruals	19,696	13,663	16,119	10,581
Deferred Income	3,299	3,384	40	273
Tax and Social Security	1,149	3,193	1,149	3,193
Connected Salvation Army Trusts and Companies	1,642	5,466	1,642	5,466
Bank Loans repayable within one year (Note 17(b))	2,516	2,507	-	-
	28,302	28,213	18,950	19,513

The 2022 comparatives analysis has been restated for consistency with the current year analysis. This has resulted in the grossing up of both creditors and debtors (see note 16) by equal and opposite amounts.

17. (b) CREDITORS: Amounts falling due after more than one year

	GROUP		PARENT	
	2023 £000	2022 £000	2023 £000	2022 £000
Multi-Employer Pension Scheme (note 10(d))	18	28	-	-
Recycled Social Housing Grant	1,029	1,148	-	-
Loans repayable between 1 & 2 years	1,276	2,581	-	-
Loans repayable between 3 to 5 years	3,961	3,823	-	-
Loans repayable over five years	12,391	13,396	-	-
	18,675	20,976	-	-

Housing loans from private sources are secured by charges on Saha-specific housing properties and are repayable between 2022 and 2044 at varying rates of interest between 0.89% and 11.50%.

18. OPERATING LEASES

The Group has future minimum lease commitments of:

Land and Buildings

- Within one year
- One to five years
- Over five years

GROUP		PARENT	
2023	2022	2023	2022
£000	£000	£000	£000
161	260	-	-
47	654	-	-
26	142	-	-
234	1,056	-	-

Other operating leases

- Within one year
- One to five years
- Over five years

GROUP		PARENT	
2023	2022	2023	2022
£000	£000	£000	£000
206	193	-	-
460	591	-	-
-	11	-	-
666	795	-	-

19. ENDOWMENTS

GROUP AND PARENT

	Balance 1 April 2022	New Funds Received	Changes in Market Value of Investments	Transfers	Balance 31 March 2023
	£000	£000	£000	£000	£000
Expendable Endowment					
Xenia Field Capital Fund	14,967	-	(17)	-	14,950
Permanent Endowments					
H.M. Brant	20	-	-	-	20
J.B. Crighton	130	-	4	-	134
Miss M.B. Hill	35	-	-	-	35
C.J. and E.J. Melbourne	79	-	-	-	79
Blackmore Mission	1	-	-	-	1
M.J. Fowler	16	-	-	-	16
R. Pattison	14	-	-	-	14
Leeds Guardian Homes Trust	14	-	1	-	15
E.S. Brant Trust	1,317	-	37	-	1,354
Birmingham Girls Trust	201	-	6	-	207
	1,827	-	48	-	1,875
	16,794	-	31	-	16,825

The Expendable Endowment represents the Xenia Field Fund. Whilst the capital and income of the Fund can be expended on social work projects, it is the Trustee's intention that the capital be maintained.

Permanent Endowment funds represent bequests and donations, the capital of which cannot be expended but any income can be applied to social work projects without restriction.

The E.S. Brant Trust was established by a trust deed dated 16 June 1965. The annual income can be applied to the social work of The Salvation Army.

The Birmingham Girls Trust consists of endowment funds transferred from Birmingham City Council, the income on which can be applied for the benefit of girls in distress in the Birmingham area.

All endowment funds are represented by investments in The Salvation Army's Common Investment Funds.

Comparative

GROUP AND PARENT	Balance 1 April 2021 £000	New Funds Received £000	Changes in Market Value of Investments £000	Transfers £000	Balance 31 March 2022 £000
Expendable Endowment Xenia Field Capital Fund	14,116	-	851	-	14,967
Permanent Endowments					
H.M. Brant	20	-	-	-	20
J.B. Crighton	121	-	9	-	130
Miss M.B. Hill	35	-	-	-	35
C.J. and E.J. Melbourne	79	-	-	-	79
Blackmore Mission	1	-	-	-	1
M.J. Fowler	16	-	-	-	16
R. Pattison	14	-	-	-	14
Leeds Guardian Homes Trust	14	-	-	-	14
E.S. Brant Trust	1,234	-	83	-	1,317
Birmingham Girls Trust	188	-	13	-	201
	1,722	-	105	-	1,827
	15,838	-	956	-	16,794

20. RESTRICTED FUNDS

GROUP	Balance 1 April 2022	Income and Movement in Market Value of Investments	Expenditure and Actuarial Movement on Defined Benefit Pension Scheme	Transfers From/(to) Unrestricted Reserves	Transfers between Restricted Funds	Balance 31 March 2023
	£000	£000	£000	£000	£000	£000
Social Work Fund	82,543	29,102	(39)	(29,376)	-	82,230
Other Restricted Funds						
Social Work projects including property funding	37,850	3,376	(3,323)	790	-	38,693
Saha operations – property purposes	128,067	27,474	(27,750)	-	-	127,791
	165,917	30,850	(31,073)	790	-	166,484
	248,460	59,952	(31,112)	(28,586)	-	248,714

Social Work Fund represents sums already expended on the properties used by The Salvation Army in its social work throughout the United Kingdom and, with effect from 1 April 2021, includes work in progress and unspent allocated funds.

Other Restricted Funds represents unexpended balances of donations and legacies held on trusts which can only be expended in accordance with the specific terms laid down by the donors.

All Saha funds are treated as restricted in the group's accounts.

Transfers between funds arise from property transactions, because all funds expended on property assets are reflected as restricted funds, net of funding of homeless and older people's services centres from legacy funds. Transfers between restricted funds in the preceding year included £4,365k in respect of property funding previously included as part of Social Work Projects but now included within Social Work Funds.

PARENT	Balance 1 April 2022	Income and Movement in Market Value of Investments	Expenditure	Transfers From/(to) Unrestricted Reserves	Transfers between Restricted Funds	Balance 31 March 2023
	£000	£000	£000	£000	£000	£000
Social Work Fund						
Funding of properties for charitable purposes	82,543	29,102	(39)	(29,376)	-	82,230
Other Restricted Funds						
Social Work projects including property funding	37,850	3,376	(3,323)	790	-	38,693
	120,393	32,478	(3,362)	(28,586)	-	120,923

**Comparative
GROUP**

	Balance 1 April 2021	Income and Movement in Market Value of Investments	Expenditure and Actuarial Movement on Defined Benefit Pension Scheme	Transfers From/(to) Unrestricted Reserves	Transfers between Restricted Funds	Balance 31 March 2022
	£000	£000	£000	£000	£000	£000
Social Work Fund	76,422	778	(1,778)	2,756	4,365	82,543
Other Restricted Funds						
Social Work projects including property funding	36,328	8,745	(3,856)	998	(4,365)	37,850
Saha operations – property purposes	123,770	28,189	(23,892)	-	-	128,067
	160,098	36,934	(27,748)	998	(4,365)	165,917
	236,520	37,712	(29,526)	3,754	-	248,460

**Comparative
PARENT**

	Balance 1 April 2021	Income and Movement in Market Value of Investments	Expenditure	Transfers From/(to) Unrestricted Reserves	Transfers between Restricted Funds	Balance 31 March 2022
	£000	£000	£000	£000	£000	£000
Social Work Fund						
Funding of properties for charitable purposes	76,422	778	(1,778)	2,756	4,365	82,543
Other Restricted Funds						
Social Work projects including property funding	36,328	8,745	(3,856)	998	(4,365)	37,850
	112,750	9,523	(5,634)	3,754	-	120,393

21. UNRESTRICTED FUNDS

GROUP AND PARENT

	Balance 1 April 2022 £000	Income and Movement in Market Value of Investments £000	Expenditure £000	Transfers From/(to) Restricted Reserves £000	Transfers between Unrestricted Funds £000	Balance 31 March 2023 £000
General Reserves	15,368	194,042	(187,549)	(1,777)	-	20,084
Unrealised Investment Gains	71,238	(69)	-	-	-	71,169
	86,606	193,973	(187,549)	(1,777)	-	91,253
Designated Reserves						
Property Purposes	18,972	107	(849)	30,363	-	48,593
Vehicles	1,488	9	-	-	-	1,497
Social Work projects	3,067	-	-	-	-	3,067
	23,527	116	(849)	30,363	-	53,157
	110,133	194,089	(188,398)	28,586	-	144,410

The General Reserve is required to fund the day-to-day needs of The Salvation Army Social Work Trust. Unrestricted Funds include designated reserves which have been set aside by the Trustee for specific purposes.

Comparative

GROUP AND PARENT

	Balance 1 April 2021 £000	Income and Movement in Market Value of Investments (restated) £000	Expenditure £000	Transfers From/(to) Restricted Reserves (restated) £000	Transfers between Unrestricted Funds £000	Balance 31 March 2022 £000
General Reserves	12,864	166,530	(156,527)	(3,499)	(4,000)	15,368
Unrealised Investment Gains	64,816	6,422	-	-	-	71,238
	77,680	172,952	(156,527)	(3,499)	(4,000)	86,606
Designated Reserves						
Property Purposes	15,087	172	(32)	(255)	4,000	18,972
Vehicles	1,472	16	-	-	-	1,488
Social Work projects	3,067	-	-	-	-	3,067
	19,626	188	(32)	(255)	4,000	23,527
	97,306	173,140	(156,559)	(3,754)	-	110,133

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund Balances at 31 March 2023 are represented by:

GROUP	Endowment Funds	Social Work Fund	Other Restricted Funds	Unrestricted Reserves	Total
	£000	£000	£000	£000	£000
Fixed Assets					
Properties	-	67,947	115,749	-	183,696
Property schemes in progress	-	7,635	77	-	7,712
Motor vehicles and equipment	-	-	804	164	968
Investments	16,825	-	33,500	114,412	164,737
Current Assets less Liabilities	-	6,648	16,354	29,834	52,836
Total Net Assets	16,825	82,230	166,484	144,410	409,949

PARENT	Endowment Funds	Social Work Fund	Other Restricted Funds	Unrestricted Reserves	Total
	£000	£000	£000	£000	£000
Fixed Assets					
Properties	-	67,947	-	-	67,947
Property schemes in progress	-	7,635	-	-	7,635
Motor vehicles and equipment	-	-	-	164	164
Investments	16,825	-	-	114,412	131,237
Net Current Assets	-	6,648	38,693	29,834	75,175
Total Net Assets	16,825	82,230	38,693	144,410	282,158

Fund Balances at 31 March 2022 are represented by:

GROUP	Endowment Funds	Social Work Fund	Other Restricted Funds	Unrestricted Reserves	Total
	£000	£000	£000	£000	£000
Fixed Assets					
Properties	-	73,763	117,297	-	191,060
Property schemes in progress	-	5,523	77	-	5,600
Motor vehicles and equipment	-	-	207	199	406
Investments	16,794	-	32,000	114,617	163,411
Current Assets less Liabilities	-	3,257	16,336	(4,683)	14,910
Total Net Assets	16,794	82,543	165,917	110,133	375,387

PARENT	Endowment Funds	Social Work Fund	Other Restricted Funds	Unrestricted Reserves	Total
	£000	£000	£000	£000	£000
Fixed Assets					
Properties	-	73,763	-	-	73,763
Property schemes in progress	-	5,523	-	-	5,523
Motor vehicles and equipment	-	-	-	199	199
Investments	16,794	-	-	114,617	131,411
Net Current Assets	-	3,257	37,850	(4,683)	36,424
Total Net Assets	16,794	82,543	37,850	110,133	247,320

23. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2023 £000	2022 £000
Net income/(expenditure)	34,562	25,723
Unrealised loss/(gain) on investments	(1,326)	(10,446)
Realised (gain) on disposal of properties	(29,068)	(1,437)
Depreciation of motor vehicles and equipment	159	86
Depreciation of properties	6,627	7,089
Investment and rental income	(1,850)	(1,390)
(Profit) on sale of motor vehicles	-	-
Increase in stocks	(34)	(44)
(Increase)/Decrease in debtors	299	(11,019)
Schemes in progress written off	39	417
Increase/(Decrease) in creditors	(49)	(10,042)
Increase/(Decrease) in Defined Benefit pension scheme liability	(12)	(1,326)
Interest payable	473	865
Net inflow/(outflow) from operating activities	9,820	(1,524)

24. CAPITAL COMMITMENTS

At the balance sheet date, commitments made by The Salvation Army Social Work Trust Group in relation to the construction or refurbishment of property amounted to £1.6m (2022: £nil).

25. RELATED PARTY TRANSACTIONS

During the current year grants totalling £22.4m (2022: £23.5m) were received from The Salvation Army Trust. An overhead recharge of £10.2m (2022: £10.8m) was charged from The Salvation Army Trust during the year, representing the Social Work Trust's share of central overhead costs which were incurred by The Salvation Army Trust. In addition, recharges of £77k (2022: £68k) were charged to The Salvation Army Social Work Trust for hire of rooms at corps premises.

26. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY FOR THE YEAR ENDED 31 MARCH 2022

	Endowments £000	Restricted £000	Unrestricted £000	2022 Total £000
INCOME AND ENDOWMENTS FROM:				
Donations and Legacies				
Grants receivable: TSA Trust	-	-	23,547	23,547
Donations	-	2,917	917	3,834
Legacies	-	1,423	-	1,423
	-	4,340	24,464	28,804
Charitable Activities				
Centres' operations	-	1,068	72,401	73,469
Other social operations	-	3,071	68,612	71,683
Housing Association turnover	-	24,579	-	24,579
	-	28,718	141,013	169,731
Investments	-	148	1,242	1,390
Other				
Gains on disposal of fixed assets	-	1,437	-	1,437
TOTAL INCOME	-	34,643	166,719	201,362
EXPENDITURE ON:				
Raising Funds				
Investment management costs	-	-	50	50
	-	-	50	50
Charitable Activities				
Centres' operations	-	3,987	84,498	88,485
Other social operations	-	1,647	72,012	73,659
Housing Association operating costs	-	24,835	-	24,835
	-	30,469	156,510	186,979
TOTAL EXPENDITURE	-	30,469	156,560	187,029
Net Gains on Investments	956	3,068	6,422	10,446
NET EXPENDITURE	956	7,242	16,581	24,779
Transfers between Funds	-	3,754	(3,754)	-
Actuarial Gains/(Losses) on Defined Benefit Pension Schemes	-	944	-	944
NET MOVEMENT IN FUNDS	956	11,940	12,827	25,723
RECONCILIATION OF FUNDS:				
Total Funds brought forward	15,838	236,520	97,306	349,664
TOTAL FUNDS CARRIED FORWARD	16,794	248,460	110,133	375,387



Charity Registration No: 215174 Scottish Charity Registration No: SC037691

www.salvationarmy.org.uk

THE SALVATION ARMY SOCIAL WORK TRUST

England & Wales - Charity number 215174

Accounts

**THE SALVATION ARMY
UNITED KINGDOM AND IRELAND TERRITORY**

**THE SALVATION ARMY SOCIAL WORK TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE UNITED KINGDOM IN THE YEAR ENDED
31 MARCH 2022**

**CHARITY REGISTRATION NO: 215174
SCOTTISH CHARITY REGISTRATION NO: SC037691**

Principal Office
Territorial Headquarters: 101 Newington Causeway, London SE1 6BN
www.salvationarmy.org.uk

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INTRODUCTION FROM THE TERRITORIAL COMMANDER

Commissioner Anthony Cotterill

The Salvation Army's purpose can be summed up in four words: 'Love God Love Others'. These words come from the teaching of Jesus who when asked 'what is the greatest commandment?' replied: "'Love the Lord your God with all your heart and with all your soul and with all your mind.'". This is the first and greatest commandment. And the second is like it: 'Love your neighbour as yourself'". (Matthew 22: 37-39 New International Version).

The Salvation Army Social Work Trust is as committed to 'Love God Love Others' as any other part of The Salvation Army. The Social Work Trust was first established in 1891 to advance the ideas set out in our Founder's book 'In Darkest England and the Way Out'. General William Booth's plan was, at its heart, driven by his passion to restore people's relationships with God, each other and reconnect communities that had been severely disrupted by the industrial revolution in Victorian England. Booth summarises his intentions in In Darkest England and The Way Out: 'The Scheme I have to offer consists in the formation of these people into self-helping and self-sustaining communities, each being a kind of co-operative society, or patriarchal family, governed, and disciplined on the principles which have already proved so effective in the Salvation Army' (William Booth, 1890, p91).

While language like 'patriarchal family' is now outdated, as you read The Salvation Army Social Work Trust's Annual Report for 2021-2022, you will see that Booth's principles and ideas are still changing lives for good in 21st century Britain. People with complex challenges and broken dreams are finding hope, restoring relationships, gaining confidence in themselves and positively contributing to community life with support from The Salvation Army. Many people previously struggling with addictions, homelessness or the consequences of modern slavery and human trafficking are now not simply surviving but thriving. People who wondered how they'd escape from debt or find a job are now productive members of society who've learnt how to manage their personal finances following life skills training from The Salvation Army.

Transformation of people and communities is The Salvation Army's business. Our vision is 'fullness of life for all with Jesus'. While we do not impose our faith on anyone, we passionately believe that everyone is made in the image of God and everyone should be able to enjoy fullness of life. How that is experienced is different for different people but you will gain some insights as you'll read in this report. 'Fullness of life' for Wayne means a house giving him a 'glimmer of hope'; for Sammy, it means escaping crime and drugs; for Gillian it means completing a course and re-engaging socially, for G, a victim of trafficking, it means rebuilding trust; for Molly it means improving her mental health; for Fireman Ryan it means a cup of tea and a sandwich in the midst of tragedy.

We could not do what we do without the generous backing of our financial supporters. A large amount of our funding comes from individual donors - people who trust us to do good with their money. Thank you for your generosity and confidence in us. We are determined to live up to the confidence you have entrusted to us.

The Social Work Trust receives almost all The Salvation Army's funding from central and local governments. We are grateful for our partnerships with governments, trusts, foundations and corporations.

The pages of this Annual Report are full of more examples of people and communities experiencing more of the fullness of life that God wants everyone and everywhere to

enjoy. Although the next few years are full of economic uncertainty, The Salvation Army is hopeful and ready to step out in confidence as we 'love God love others'.

Thank you for your help and support. May God bless you.

A handwritten signature in black ink, appearing to read 'Anthony Cotterill' with a stylized flourish at the end.

Commissioner Anthony Cotterill
Territorial Commander of The Salvation Army in the United Kingdom and Ireland

OUR VISION, MISSION & VALUES

Our Vision and Mission statements inspire and guide all the work we do as a church and as a charity. We refreshed our statements in 2021 to reaffirm our sense of purpose and direction for The Salvation Army in the United Kingdom, Ireland, the Channel Islands and the Isle of Man. The refreshed statements have been adopted across the territory and their simplicity and boldness mean that all areas of the diverse work of The Salvation Army can be both anchored and inspired by them.

Vision statement:

Our Vision:
Fullness of life
for *all* with Jesus

This is 'Our Vision' for every part of The Salvation Army. It is inspired by the words of Jesus who said: 'I have come that they may have life, and have it to the full' (John 10:10 NIV). 'Fullness of Life for All with Jesus' includes every aspect of Salvation Army life. We believe everyone can enjoy fullness of life with Jesus. It is aspirational - we are not there yet - but this is what we strive towards.

Mission statement:

Our Mission:
To *share* the good news
To *serve* others without discrimination
To *nurture* disciples of Jesus
To *care* for creation
To *seek* justice and reconciliation

The Mission Statement is built on five principles - or **priorities** as we see them - which should act as the drivers for all we do, how we do it and why we do it, across the entire organisation. These short phrases communicate immense challenge and ambition and direction. When these priorities are present, The Salvation Army is working towards 'Our Vision' of 'Fullness of Life for All with Jesus'. Each of the five priorities of 'Our Mission' are rich in meaning and help us explain to 21st century society why the Christian message and the work of The Salvation Army is relevant and desperately needed in our communities and nations.

Our values:

Our values have been refreshed and refocused on the behaviours that should result from living out the values. Our values are for everyone involved in The Salvation Army and must be reflected in our behaviour and result in good relationships, increased wellbeing and help us integrate what we do with how we do it. The basic standard of Christian behaviour, derived from our understanding of the character and action of God, is love so

we need to continually be drawn back to understand how God is asking us to live and work together to help us be faithful to our calling to be God's people.

Boldness - We will courageously and confidently share the good news, seek justice and reconciliation, nurture disciples of Jesus, serve others without discrimination, care for creation.

Compassion - We will serve with the unconditional love and grace of God as the pattern for our behaviour.

Passion - We will bring our best selves, our God given energies and convictions to our work, service and learning, whether as officers, members, employees or volunteers.

Respect - We will receive each person with the dignity of those created in the image of God, while seeking the transformation God.

Integrity - We will be honest and transparent in all our dealings with each other and those we serve, being open about our motives and agendas.

Mutual accountability - We will willingly and freely give full account for our actions to those we interact with and expect the same in return.

Statement of commitment:

We have one simple statement to explain why we are here which frames all we are and all we do as a church and charity. Four words achieve this:

'Love God, Love Others'

This is based on Jesus' Greatest Commandment in Matthew 22:37-39 to 'love the Lord your God' and to 'love your neighbour as yourself'. 'Love God Love Others' underpins, inspires and motivates everything we do, in every part of The Salvation Army.

THE OBJECTIVES OF THE SALVATION ARMY SOCIAL WORK TRUST

Promoting the charitable work of The Salvation Army in such one or more of the following ways as The Salvation Army Trustee Company shall think fit, namely:

- the relief of poverty, sickness, suffering, distress, incapacity or old age
- the advancement of education
- training in Christian and moral principles
- the assistance of those in need of protection

OUR ORGANISATION

The Salvation Army was founded in 1865 by William and Catherine Booth and currently operates in more than 130 countries. The world leadership of The Salvation Army is provided by The General of The Salvation Army.

The General is assisted by officers and staff based at International Headquarters in London. The current General is Brian Peddle who was elected into office in August 2018.

The United Kingdom and Ireland Territory is under the command of a Territorial Commander, appointed by the General and responsible to him/her for the day-to-day administration of Salvation Army work throughout the British Isles, including the Channel Islands, the Isle of Man and the Republic of Ireland. Commissioners Anthony and Gillian Cotterill are the leaders of The Salvation Army in the UK and Republic of Ireland.

The Salvation Army in the UK is an integrated, yet diverse, organisation that contributes to the betterment of society in the service of God and people. Legally, we are structured under two main trusts. These are:

- The Salvation Army Trust (Charity Registration No. 214779 in England and Wales, and SC009359 in Scotland)
- The Salvation Army Social Work Trust (Charity Registration No. 215174 in England and Wales, and SC037691 in Scotland)

Therefore, we publish two separate reports and accounts. This document is the Annual Report and Accounts for The Salvation Army Social Work Trust. Together both trusts reflect the life and work of The Salvation Army as a whole and exist to enable effective management and accountability for the two main ways in which we work.

Further information on our legal structures and our governance is included later in this Report.

EXPLAINING OUR STRATEGY, STRUCTURE AND OPERATION

The Salvation Army Social Work Trust is the charity registration through which we operate our centrally coordinated (i.e. not church or community centre based) programmes of support for people experiencing homelessness, older people in our care homes, our addictions services and our delivery of support for the victims of modern slavery and human trafficking, and other specialised forms of support.

The Salvation Army Trust, whose report and accounts form a ‘sister’ publication to this outline the church life of The Salvation Army and the community-based programmes of engagement and support that are delivered through our corps (churches) and community centres.

Summary of what The Salvation Army Social Work Trust does

- We provide single people and families who are experiencing homelessness and people suffering from addictions with high-quality residential accommodation, care and support, encouraging their ability to live independent and positive lives.
- We provide vulnerable older people, particularly those with limited resources, with residential care which recognises individuality and the spiritual dimension to life.
- We provide unemployed people, including those in our residential homelessness centres, with back-to-work schemes through Employment Plus.
- We provide survivors and potential victims of modern slavery specialist support which includes transport, a safe place to stay and outreach support as well as community integration as they continue their journey of recovery and rebuilding their lives.
- We unite families who have lost contact and help to bring about happy reunions.
- We support the emergency services at major incidents, providing refreshments for staff and help to victims.
- We work in partnership with local authorities and other agencies where relevant to provide the best outcomes for our service users.
- We speak with national and local government to influence policy on issues affecting our service users.
- We strive to achieve our vision of ‘fullness of life for all with Jesus’ in everything we do through five mission priorities: share the good news, serve others without discrimination, nurture disciples of Jesus, care for creation, seek justice and reconciliation. Operationally, we are prioritising transformation, integration and streamlining to increase our effectiveness and impact.

**The scale of the work of The Salvation Army Social Work Trust in the UK
(Statistics from the 2022 Salvation Army Yearbook)**

12 Care Homes for Older People

Belfast: The Sir Samuel Kelly Memorial Home (accommodation (hereon acc) 39)
Buxton: The Hawthorns (acc 34)
Coventry: Youell Court (acc 40)
Edinburgh: Davidson House (acc 40), Eagle Lodge (acc 33)
Glasgow: Eva Burrows Day Centre (places 24)
Hassocks: Villa Adastra (acc 40, plus 5-day care)
London: Glebe Court, Lewisham (acc 40)
North Walsham: Furze Hill House (acc 40)
Prestwich: Holt House (acc 31)
Sandridge: Lyndon (acc 32)
Southend-On-Sea: Bradbury Home (acc 34)
Weston-super-Mare: Dewdown House (acc 40)

8 Centres for Families (Residential)

Belfast: Glen Alva (acc family units 20, max 77 residents),
Belfast: Grosvenor House (acc family units 19, max 76 residents),
Belfast: Thorndale Parenting Assessment (7 family units)
Belfast: Thorndale Family Centre (acc family units 34, single bedsits 4, max 125 residents)
Fleetwood: George Williams House (acc family units 9, max 36 residents)
Portsmouth: Catherine Booth House (acc family units 21, max 40 residents),
Portsmouth: St Paul's House (acc family units 14, max 56 residents),
Portsmouth: St Monica's House (acc family units 10, max 40 residents)

2 Centres for People with Learning Disabilities

Kilbirnie: George Steven Centre
Liverpool: Strawberry Field

Centre for Employment and Training

Hadleigh: Hadleigh Farm Estate

42 Centres for Single Homeless (Adults)

Belfast: Centenary House and Calder Fountain (acc direct access 120)
Birmingham: William Booth Centre (acc 74)
Blackburn: Bramwell House (acc 55)
Bradford: The Orchard (acc 42)
Braintree: New Direction Centre (acc 14)
Bristol: Logos House (acc 69)
Cardiff: Tŷ Gobaith (acc 78)
Coventry: Harnall (acc 80), The Gateway (60)
Dundee: Strathmore Lodge (acc 25), Burnside Mill (acc 20)
Edinburgh: The Pleasance (acc 37)
Glasgow: Eva Burrows 1st Stop Project (acc 40), Hamilton, Housing First, Huntershill Court (acc 10), Wallace of Campsie House (acc 52), William Hunter House (acc 43)
Grimsby: The Booth Lifehouse (acc 35)
Hull: William Booth House (acc 113)
Huntingdon: Kings Ripton Court (acc 36)
Ipswich: Lyndon House (acc 39)
Liverpool: Ann Fowler House (acc 38), Darbyshire House (acc 45)
London: Cambria House (acc 48), Founders House (acc 110), Riverside Complex (acc 50)
Manchester: Discovery House (acc 10), Endeavour House (acc 15), Independence House (acc 15)

Perth: Skinnergate (acc 30)
Plymouth: Devonport House and Zion House (acc 72)
Reading: Shepton House, Willow House (acc 38)
Ryde: Fellowship House (acc 27)
St Helens: Salisbury House (acc 68)
Salford: Abbot Lodge (acc 20)
Sheffield: Charter Row (acc 56), Lincoln Court (acc 15 self-contained units)
Skegness: Witham Lodge
Southampton: The Booth Centre (acc 46)
Stoke-on-Trent: Vale St (acc 60)
Sunderland: Swan Lodge (acc 65)
Swindon: Booth House (acc 50)
Warrington: James Lee House (acc 54)

4 Centres for Single Homeless (Young People)

Accrington: Crossroads (acc 11)
Cardiff: Northlands (acc 26)
Fleetwood: George Williams House (acc 6)
London: Springfield Lodge (acc 40)

4 Homelessness Day Care/Drop In

Bradford: Day Centre
Edinburgh: Niddry Street
London: No 10 Project
Norwich: Pottergate Arc

4 Housing First Programmes

Cardiff
Glasgow
Hamilton
Merthyr Tydfil

5 Non-Residential Homelessness Services

Aberdeenshire Floating Support
Cardiff Bus Project
Cardiff Floating Support
EIP York
Inverness Floating Support

6 Drug and Alcohol Services (Scotland)

Aberdeen
Falkirk
Glasgow
Greenock
Inverness
Stirling

4 Child Contact Centres

Birmingham
Newark
Winchester
Worthing

6 Early Years Education Centres

Belfast

Cardiff

Clacton-on-Sea

Droitwich Spa

Douglas

Failsworth

Our Employment Plus programmes engaged with over 7,500 people, supporting them, coaching them and helping them into work across the UK.

How We Work

While The Salvation Army is not unique as a provider of centrally coordinated residential and support services, it is certainly distinctive in terms of its structure, and this distinctiveness gives us a real opportunity to go about our work in impactful ways.

The Salvation Army is a church and charity that doesn't just help people by providing immediate, practical support to overcome issues such as addiction, experiencing homelessness, social isolation or poverty and recovery from slavery; it also strives to address the reasons that cause these situations, with a view to effecting sustainable change in individuals and society at large.

What sets The Salvation Army apart from other organisations is that we have the combined strength of our centrally co-ordinated services and our locally co-ordinated churches and community centres which are all playing their part to bring about positive change. When this really comes together, as it does in many places across the UK, it models what we call 'integrated mission'.

Our Social Work Trust, for which this is the Annual Report and Accounts, is the charitable registration through which we allocate and manage funds for our (principally) residential centres and centrally co-ordinated operations. Much of the funding for this work is received through government and local authority payments and grants, with the cost of the additional support, wellbeing and training services being met from a grant from our sister charity, The Salvation Army Trust. To see the full picture of our work, you will need to read both sets of Reports and Accounts.

Our strategy in the Social Work Trust has been to ensure the work of these mainly residential centres is effective and efficient, compliant and as transformative and as supportive as possible, and that all we do starts with the needs of people we serve. That is why in addition to statutory funding we are committed to deploying Salvation Army funds to provide the best possible additional support services we can, in order to achieve the best outcomes for the people in our care.

While we have ongoing contractual commitments which it is our mission to meet, we are always looking to ensure that opportunities to make additional differences are identified, assessed, and when possible seized. Our strategy therefore is one of controlled and best possible ongoing delivery, and at the same time a disciplined ambition to do as much as we can in ways that are as meaningful and innovative as we can, in as much of the UK as we can. As we look forward, for as long as we can afford to, we will commit to identifying additional opportunities to deliver services.

The Salvation Army Trust provides centrally co-ordinated facilities - such as HR, finance, property, IT, PR and media support. This approach enables us to be efficient and effective in the use of resources.

REALIGNING RESOURCE TO ENABLE A 'FLOURISHING' AND EFFECTIVE SALVATION ARMY

The work and delivery of the Structure Coordination and Design Project 2022

Ensuring appropriate oversight and support and operational freedoms to more than 600 diverse and locally responsive Salvation Army churches and community centres is challenging. Add to that over 100 residential and non-residential social work centres that form The Social Work Trust, and the challenge of ensuring the most effective allocation of resource is truly demanding.

The Salvation Army has never been a static organisation and over its 150+ year life has been constantly evolving to match efficiency and effectiveness with changing times and changing needs. Over the last two years, the entire UK Salvation Army has engaged in a structured, extensive and disciplined process to look at how the people and resources we have can be marshalled and structured more effectively - with one goal - to enable our 'frontline' operations - our local mission expressions- whether they are corps or social work centres, to 'flourish'.

By 'flourishing' we mean that every expression of The Salvation Army should actively be engaging with the five mission priorities (our Mission Statement) in order to achieve our vision.

Our Mission:

To *share* the good news
To *serve* others without discrimination
To *nurture* disciples of Jesus
To *care* for creation
To *seek* justice and reconciliation

Our Vision:

Fullness of life
for *all* with Jesus

This significant task, - termed ***The Structure Coordination and Design Project*** has been focused on three desired outcomes:

- **Transformation:** Increase the capacity of locally based Salvation Army work to contribute to the five mission priorities (share the good news; serve others without discrimination; nurture disciples of Jesus; care for creation; seek justice and reconciliation).
- **Integration:** Build strong and effective collaboration between all aspects of Salvation Army work in a geographical area.
- **Streamlining:** Design appropriate, effective, efficient, and sustainable structures and processes that enable local mission to flourish

Starting in 2021 and over a two-year period, The Structure Coordination and Design Project conducted probably one of the most extensive pieces of internal research we have ever executed. The principal goal was to provide answers to the simple question, 'What (change) is needed to enable our local mission to flourish?'. The process was deliberately designed to be 'bottom-up'. Consultations were carried out within all the then 20 divisions, people involved in Social Work Trust programmes, as well as people working at headquarters, both territorial and divisional.

The principal premise we worked to is this: A combination of effective **oversight** of the right things, combined with the allocation of adequate resources and **support**, and the effective **release** of our local mission expressions from unnecessary control, should result in people and communities flourishing.

The strength of this simple model is that it dovetails into the way The Salvation Army has always worked. We respond locally and meaningfully to local need in local ways. Organisational structures, administrative and decision-making processes can become burdensome and inefficient. Therefore, rooting and starting our thinking and planning for change in 'local' was the most sensible and potentially the most powerful way forward.

The diversity of Salvation Army work means that one approach does not fit every situation. Many of the programmes funded by The Social Work Trust support people facing complex challenges. Therefore, a more centralised organisational approach is appropriate for people experiencing homelessness or a survivor of modern slavery or a person recovering from addiction. This contrasts to the approach used in many of the programmes funded by our sister Salvation Army Trust which tend to be less centralised and more 'organism' than 'organisation'. The Salvation Army accommodates these differences through different management structures to ensure support and oversight is appropriate in differing contexts.

The outcomes of the Structure Coordination and Design Project can be outlined as a series of significant changes to the way we work:

Release: We engaged and continue to engage in extensive rethink of how resources need to be marshalled and how the local delivery points can be 'released' to be as free as possible to decide on and deliver what they feel is needed in terms of service and services. One outcome is and will continue to be, a review of effectiveness and how investment directed more freely to where increased investment will deliver significant change for people and our communities.

Oversight: Effective oversight is vital for compliance and governance. Oversight ensures we are doing the right things in the right ways. However, the design process also looked at where supervision and some forms of oversight are unnecessary or could be released to be done locally, not centrally. We have a strong spirit of accountability in The Salvation Army and releasing of some aspects of oversight will mean more local ownership.

Support: We need to continue ensure that the support that is needed to enable local mission delivery to flourish, is available, but in the right ways. This means adequate funding streams, support for raising awareness locally, support for training and innovation and local growth.

An important priority for this project is integration and increasing local collaboration between all aspects of Salvation Army work in a particular geographical location. Irrespective of the governance and funding arrangements that apply to different Salvation Army expressions (Salvation Army Trust or Social Work Trust) there is nothing preventing teams jointly collaborating to achieve our shared vision (fullness of life for all with Jesus) and the five mission priorities. Initiatives such as 'communities of practice' and 'mission focus groups' are increasingly connecting Salvation Army people resulting in greater integration, streamlining and efficiencies.

A further cultural intention with this project has been to move away from seeing change as something that is affected once, to a culture of continual improvement. All aspects of The Salvation Army's operation are therefore actively encouraged to submit proposals for

how improvements, and innovations and changes can be introduced to enhance local mission delivery.

Changes introduced by this project will start to be felt during 2023. As this is a significant strategic development, it will be reported on in subsequent Annual Reports and Accounts.

ILLUSTRATING THE WORK AND ACHIEVEMENTS OF THE SALVATION ARMY SOCIAL WORK TRUST 2021 / 2022

The Salvation Army Social Work Trust encompasses a very significant number of residential centres and programmes. The diversity of services and ways these services are delivered is immense. Therefore, this report highlights some of the developments we have implemented in the last year as we work to deliver our mission and strive to achieve our vision. We are blessed to have the resources to operate in this way and we believe - and know - that our approach helps transform the lives of thousands of people every day.

GIVING HOMELESS PEOPLE SHELTER AND HOPE

Offering refuge and support

Home is important for our health and happiness. Without a safe and stable place to call home, life can quickly fall apart. Every day a homeless person dies from suicide, drugs or alcohol in England and Wales*. We open our arms with more than 80 Lifehouses across the UK and Ireland, night shelters and drop ins. Through initiatives, research and policy we tackle root causes of homelessness and give people hope for the future.

* <https://www.salvationarmy.org.uk/news/homeless-peoples-lives-are-risk-because-funding-cuts>

Last year The Salvation Army accommodated a nightly average of 3,000 who were formally homeless.

Wayne has the stability of a home and new prospects

"I have slept all over the place, I was attacked on the street and I've tried to kill myself. That's why The Salvation Army were such a glimmer of hope. They got me a house, it's an anchor that stops me spinning out of control and I could move forward." Wayne

Tough approach for rough sleeping

In September 21, Government statistics revealed a 39 per cent year-on-year increase in the total number of single households recorded as rough sleeping in England (to 11,580). We called on the Government to provide long-term investment in support services to help tackle the root cause of homelessness.

We warned that the situation would only worsen as COVID-19 support structures came to an end. The rise in rough sleeping came despite strenuous efforts to shelter all rough sleepers during the pandemic through schemes such as 'Everyone In' which housed 37,000 people, but these gains are already being lost.

Lorrita Johnson, The Salvation Army's Director of Homelessness Services, said: "Support services for homeless people have seen a decade of falling budgets and increased demand. Without timely and sustained investment, we will not eradicate rough sleeping by the end of this Parliament.

This can only be done through long-term support for the root cause of someone's homelessness such as help with mental health, addiction, and job and life skills training."

1 in 3 rough sleepers in London is under 35*
47% of rough sleepers recorded are new
48% of rough sleepers across the UK are in full-time jobs**
19% of young people are behind with rent or mortgage**

Combined Homelessness and Information Network quarterly report
Salvation Army survey of 2,000+UK adults aged 18-30

Words of praise for Housing First

Our Housing First programmes in Scotland and Wales were endorsed in a landmark report by MPs into ending homelessness, with the UK Government being called on to expand the Housing First approach across the UK.

What makes the programme so effective is that we provide access to specialist, co-ordinated support as well as housing. This is the key to breaking the cycle of homelessness and rough sleeping, so people have stability and the space to turn their lives around.

Housing First in Cardiff was lauded as a best practice model by the Welsh Government. In Scotland, Belgian government minister Meryame Kitir, visiting COP26, took time out to visit Glasgow's Housing First project. She said: "We are looking at Scotland and Finland as good examples of homelessness work. This project and what I have heard today is something I will take [home] with me."

Piecing together a solution to homelessness

In a pioneering move, we joined forces with award-winning developer Hill Group and Citizens UK to create the SCH Partnership. To mark its launch in June 2021, we unveiled the SoloHaus, a modular home which is furnished and ready to move into.

These modular houses help tackle homelessness and rough sleeping, while making people feel part of their community. The Partnership started work on setting up supported accommodation projects in Southend, Basildon and Bristol. We called on the Government, local authorities, and landowners to support this innovative programme.

Lieutenant Colonel Drew McCombe, of The Salvation Army said: "Modular housing is a more cost effective, and better quality alternative to temporary accommodation."

News from our Lifehouses

Best foot forward

This year marked the tenth annual five-a-side football Partnership Trophy tournament, held at Goals in Manchester. We welcomed 15 teams from across our Lifehouses to celebrate their achievements on and off the pitch.

Former Manchester United, Arsenal and England star Paul Merson cheered on players and spoke movingly about his experiences with addiction. "Having people you can turn to is a huge help. The Salvation Army is doing a wonderful job in supporting them." Another Manchester United player and Spanish midfielder, Juan Mata, joined Paul. Juan said: "It was a great experience and I enjoyed seeing what The Salvation Army do and witnessing the power of football to make people happy."

Paul and Juan presented trophies to the winning teams Wallace of Campsie House from Glasgow and medals to the runners up Swan Lodge, Sunderland, The Orchard in Bradford and Pickfords.

Growing health and wellbeing

At our allotment project at Charter Row in Sheffield, residents came up with ideas to improve the plot - including recycling a shelter for the site, and installing a fire pit so they can barbecue and relax. The project has been beneficial for residents' physical and social health but also their mental wellbeing.

Last year, the idea for a gardening club at Catherine Booth House in Portsmouth was planted. This year, the project firmly took root. The club offers current and former residents and their families the knowledge and confidence to learn skills, discover nature and grow their own food.

Top marks all round

Swan Lodge in Sunderland, won multiple prizes at the One Awards Celebration of Learning 2021 - for 'Learners Choice for Tutor', 'Learning Group' and 'Personal Progress'.

Salvation Army tutor Sonia Park-Ritchie who leads classes won a Learners Choice for Tutor Award. One of her students, Gillian, said: "I have gained so much confidence from the courses available and the way they are delivered. I cannot thank and praise Sonia enough."

Gillian, who found herself homeless last year, won a Personal Progress award. She added: "I have not only grown educationally but also as a person allowing me to re-engage socially." Gillian completed a career preparation unit, functional skills Maths Entry 3, skills for employment, training and personal development.

IN THE FRONTLINE AGAINST MODERN SLAVERY

We are all human beings who deserve dignity

Centuries after slavery was officially abolished, thousands of people are still being exploited across the UK. They are forced into labour, criminality, sexual exploitations and domestic servitude.

For the 11th year running, the Government contracted The Salvation Army and our partners to manage the support of adult victims of modern slavery in England and Wales. The year under review was the first year in which we managed the extended contract, entitling all survivors to receive support from The Salvation Army at all stages of their recovery.

In the past 11 years the total number of people coming to us for support each year has risen by 710% from 378 in the first year to 3068 this year.

‘G’ is a survivor of modern slavery supported by The Salvation Army

“When I come in the safe house, I’m not trusting anyone. I was so broken. Mentally, physically, broken in every way. It’s very hard to believe someone, trust someone because I’m a victim of believing someone. So, they’ve given me time, they’ve given me space. They spend time with me.”

The real picture - listening to slavery survivors

The Salvation Army called for the voice of slavery survivors to be central in the debate around the Borders Bill, the cornerstone of the Government’s New Plan for Immigration. We wanted policymakers to understand the true nature of modern slavery, and to factor that into the new legislation. This is key to protecting people and gaining the information needed to combat the slavery traffickers.

During the Bill’s consultation period, we used our experience to make detailed recommendations we believed would be more effective and helpful for survivors of slavery. Major Kathy Betteridge, Director of Anti Trafficking and Modern Slavery for The Salvation Army said: “We support measures to ensure the system is not abused but this must not be at the expense of those who have endured modern slavery and are in need of our help”.

Report reveals impact of pandemic on human trafficking

A report, *How has the International Anti-Trafficking Response Adapted to Covid-19?*

(August 2021), revealed that more is needed to protect vulnerable communities as traffickers found new ways to exploit people during the pandemic.

Testimonies include trafficking gangs going online to target children, and people being offered risky opportunities having lost their livelihoods. At the same time, social distancing and travel restrictions presented considerable challenges to supporting victims.

The report shared how charities and NGOs have recognised the risks and adapted well during the pandemic. A list of recommendations was drawn up to capitalise on the lessons learned. Tribeni Gurung from The Salvation Army’s International Anti Trafficking team said: “We’re encouraged to learn that charities, communities and governments have been able to develop stronger links due to working closely together during the pandemic and confident that this will help in a combined efforts to stamp out modern slavery in the future.”

The Salvation Army to the rescue

We released a new report on Anti-Slavery Day (18 October 2021) about survivors who were referred to The Salvation Army and our partner organisations in the last year.

1,030 forced to work in places like farms, factories, building sites and restaurants for little or no pay

647 were survivors of sexual exploitation

470 forced to commit crimes such as growing or dealing drugs, begging and shoplifting.

187 had been working as domestic slaves

Modern slavery is a tough subject and it's hard for adults as well as children to understand that people are being treated as slaves in the UK today. In October 2021, The Salvation Army launched a toolkit called *True Story* to help children understand more about modern slavery.

The toolkit helped children learn about this sensitive issue while suggesting ways they could make a difference, such as talking to their parents or taking to social media. All of the stories showed how The Salvation Army can bring hope for a happy ending.

Royal touch to art therapy

In November 2021, Her Royal Highness Princess Eugenie of York joined survivors of modern slavery at a Salvation Army Outreach hub in London as they were taking part in an art therapy session.

HRH Princess Eugenie took part in a session to create artwork around how each survivor feels about freedom. The informal setting enabled survivors to share freely with their guest and discuss the impact of the help they are now receiving from Salvation Army specialist support workers. One survivor said: "I enjoyed sharing our opinions and experiences. Life has good experiences if you are surrounded by good people."

Making an impact that transforms lives

During Refugee Week (14-20 June 2021) Syrian refugee, Ayat, reflected on the help her family had received from The Salvation Army. Ayat, her husband and three children spent four and a half years in a Lebanese refugee camp before coming to the UK as part of the government's Syrian Vulnerable Persons Resettlement Scheme.

They had been greeted by Salvation Army caseworker Alex Foden, who took them to their new home in Lancashire. Alex said: "Refugees have been living in such a traumatic situation, it's hard for us to contemplate what it has been like for them. Some will have been imprisoned, experienced torture, children have seen family members die."

The help Ayat's family received from The Salvation Army was wide-ranging from buying furniture and food for their new home, opening bank accounts, registering them with doctors and the job centre, arranging English courses and getting their children settled in school. Ayat said: "The Salvation Army helped us a lot, they are our family in this country."

EMPLOYMENT PLUS SELF-ESTEEM

We empower people to overcome barriers

This year saw economic growth falling and inflation rising in the wake of the pandemic. Though unemployment rates were low, finding a job was hard. Many others were trapped in a cycle of low-paid work and zero-hours contracts.

The Salvation Army's Employment Plus service continued to offer tailored support to help people become job-ready, get a job and stay in work. We're not just interested in employment history, but to understand people's personalities, experiences and goals in life.

Our Employment Plus programmes engaged with over 23,000 people, supporting them, coaching them and helping them into work across the UK.

Ian found self-worth, self-esteem and a new job

"Since I've been at Employment Plus, they've built up my confidence and helped me with approaching employers to find work and with doing job interviews."

New service added to Employment Plus

The Salvation Army has been expanding Employment Plus across the UK, and this year we opened up this service to the community in Crewe. Like many places, unemployment levels rose in Cheshire during the pandemic and after furlough schemes came to an end.

Corps officer Major Steven Watson said: "Unemployment has a devastating effect on families pushing them into poverty and increasing social exclusion." The team supported people who have lost their jobs with food parcels and fuel vouchers. Advisors offered help with CVs, job searches and interview techniques.

Nationally the service was re-certified with the quality standard ISO 90001:2015. It shows our ability to offer employability services that meet customers and legal requirements. The audit took place when we had COVID-19 and remote working to contend with, so it is a huge achievement.

Kickstarting new opportunities

The Salvation Army continued to offer young people the chance to work for us and gain valuable work experience as part of the Government's Kickstart scheme. Each Kickstarter will have a dedicated employability professional to support them on their journey.

Following the pandemic, young people bearing the brunt of job losses. By offering 85 paid job roles (funded by the Government) to 16-24 year-olds at most risk of long-term unemployment, we're transforming lives.

Charlie, 23, became a Salvation Army Community Support Worker. He said: "The best thing about this job is that what I am doing is meaningful. It makes a difference and is helping people in my area. I am not just a number on a bit of paper, I am helping to make my community a better place."

Steps to Work steps up a gear

At our Strawberry Field training centre in Liverpool, the Steps to Work programme evolved to become 'Steps at Strawberry Field'. We opened it up to people of all ages who may have learning difficulties or other barriers to employment, from across Liverpool.

The new scheme included 'Steps to Work lite' a condensed programme, 'Steps to Volunteer', for those who want to receive a formal volunteering qualification, and 'Recycles', a hands-on programme based at the Recycles project in Liverpool city centre.

Strawberry Field Mission Director Major Kathy Versfeld said: 'We want people to know we are pulling out all the stops to support them in realising their dreams and in harnessing their unique potential, so that together we can build better, more inclusive and diverse workplaces.'

Partnerships bring employment and optimism

The Salvation Army and soft drinks manufacturer Clearly Drinks joined forces to create employment opportunities in North East England. It meant we could put a new co-ordinator on the ground in Sunderland, helping people to find new jobs and renewed hope - in an area prioritised by the Government's Levelling Up policy.

In Blackpool our Recycles scheme saw manager Doug Cox and volunteer Brian Dodd team up to spruce up more than 100 old bicycles to sell. The project bridges a gap between people who are in crisis and regular cyclists in the community. Proceeds from the sale of the bicycles went back into the recycling project.

HELPING PEOPLE MOVE ON FROM DEBT

Offering practical advice and pastoral care

Whether it's losing a job, becoming ill or facing difficulties in the pandemic, financial instability is often the root cause of debt. People with high levels of debt are more likely to default on payments. It's a vicious circle.

We help people get a handle on what they owe and work alongside them to make a realistic plan for repaying their debts. Through money education we help change habits and minimise the chance of debt recurring.

Our 22 debt advice centres saw requests for help increase by 28 per cent last year from 668 clients in 2019 to 852 clients in 2020 as pandemic poverty took hold of many vulnerable households.

Lucy's debt left her feeling suicidal

"The Salvation Army has helped me and shown me there is a way. Before I couldn't see a way through it, but now I can. I felt hopeless before, but they've shown me there is a path".

Helping record numbers of people in debt

In April 2021, we reported that our 22 Financial Conduct Authority approved debt advice centres across the UK saw requests for help increase by 28 per cent as pandemic poverty affected vulnerable households.

Schemes like the Universal Credit uplift and furlough were lifelines, but were not enough to prevent many sliding into debt. Nearly a fifth of those who got in touch with us cited low income as the main source of their debt.

Our teams worked longer hours and services expanded across East Scotland, the Isle of Man, Birmingham, Middlesbrough and Exeter. As well as financial advice, we gave practical and emotional support to help people cope with the pressure of being in debt. We called on the Government to put in a range of measures to help those finding it hard to pay off debt and to stop more people falling into debt.

Lorraine Cook, Financial Inclusion Development Manager said: "Managing debt is more than just a repayment plan. We maintain a relationship with that person throughout their journey, linking them up with their local Salvation Army for ongoing support and companionship".

Doing our level best

In September 2021, we warned that the end of Covid financial support would also impact the Government's 'Levelling Up' plan to tackle regional inequalities.

We urged the Government to reconsider how funding is allocated from the Levelling Up Fund. In particular, we asked them to ensure deprived coastal communities receive sufficient investment, and to engage with communities about what investment will best level up their areas. We also called for investment in skills and employment support, including affordable childcare.

The Salvation Army's Lieutenant Colonel Dean Pallant said: "We understand that the Covid financial safety net can't continue indefinitely. But, we urge the Government to support the deprived communities it wants to help with its Levelling Up plan to transition from short-term emergency support to long-term financial security."

“I’m forever thankful.” Molly’s story

During the year Molly, a young mum, was taken to the small claims court by her former landlord. She had fallen into debt and had left her tenancy after she was made redundant. She turned to our Debt Advice Service and Debbie White, Debt Advice Co-ordinator, helped Molly through the court process.

Molly, who has Bipolar disorder, said: “The help I received from Debbie was fundamental for my mental health at a very vulnerable time in my life. Debbie was a shoulder to lean on and a shield against my debtors. She spent hours with me in preparation for my case and gave me the confidence to face my debt head on and to hold my head high in court. I’m forever thankful.”

Debbie and the team supported more than 100 people like Molly during the year, marking its first birthday in September 2021. Lorraine Cook, The Salvation Army’s financial inclusion development manager, said: “Debbie and her team have done a brilliant job launching a new service, which has already helped so many people, and will prove vital as the effects of the pandemic continue to be felt.”

GIVING PEOPLE LIVING WITH ADDICTION THE CHANCE TO HEAL

We don't judge a book by its cover

Around 80% of residents at The Salvation Army's 80+ Lifehouses (hostels) arrive with drug and alcohol addiction issues. Many have been unable to access addiction support services before they step into our care.

During the year, we continued with our harm reduction approach to addiction. At its heart is the offer of non-judgemental support to help people address the reasons they are living with addiction. It means we don't ask 'Why the addiction?' - instead we ask 'Why the pain?'

The Salvation Army has worked with more than 950 people with addiction issues in the past year.

Sammy has found a new life beyond addiction

"I was basically being used as a drug dealer and I was an addict. I was committing crimes and selling drugs every day. I've been clean since March last year and I couldn't have done it without The Salvation Army. If it wasn't for them, I'd be dead."

Reduction in drug overdose deaths

The Salvation Army released figures (September 2021) which showed how taking a harm reduction approach to treating drug problems is helping to save lives. 80% of people who move on from The Salvation Army addiction services are no longer using the drugs which brought them there to begin with. [Source - Atlas: Apr 20-March 21]

Our addiction support team ensure our Lifehouse staff are able to swiftly administer naloxone, which reverses the effects of a drug overdose. Saving lives with naloxone has risen fivefold in the last three years. During the year in review more than 200 kits were used.

Our harm reduction approach is much more than preventing a death at the point of crisis. It is about acceptance and unconditional support for people in the throes of addiction. Viewing addiction through a judgemental lens causes harm, but understanding addiction as a response to trauma offers a chance to heal.

Lee Ball, Territorial Addiction Services Officer for The Salvation Army, said: "Prevention is key to ensuring the children in our services today, don't become the adults in our services tomorrow".

Let's talk about overdose - Overdose Awareness Day

On 31 August 2021, staff and residents at Lyndon House, a Salvation Army Lifehouse in Ipswich, marked International Overdose Awareness Day. Specialist Support Worker Simon Walker said: "Normally people don't want to remember, but the day seemed to have the opposite effect."

Most people at Lyndon House have been affected by an overdose in one way or another. The day focused on ways of reducing harm, remembering those who have been lost and celebrating life. Posters were put up to educate users about what to do in the event of an overdose while residents were also told how the drug naloxone could help save lives. Names were put on a remembrance tree, and a new tree of life was planted in the garden to symbolise hope for the future.

A RICHER, FULFILLING LATER LIFE

Every person matters

Approaching older age can trigger fears for some people that they will become isolated, suffer from ill health and lose identity and purpose. As our communities live longer those in later life can feel alone and more vulnerable.

Whether it's activities in communities or our specialist residential are homes, we put people at the heart of our services and help make life rich and fulfilling.

The Salvation Army has 12 residential care homes and one regulated adult day centre across the United Kingdom and Ireland. Our Corps provide hundreds of dedicated activities, classes and clubs.

Pauline lives in one of our residential homes

"Living here, for me, is just lovely. Everyone's nice and I couldn't want anything any better. It's just very good."

Good work in action

The past year has been another challenging one for the care sector, in the wake of the pandemic. Our teams pulled together to ensure vulnerable, older people were safe, happy and felt loved.

We are proud of each and every member of our caring teams, and their bravery and dedication is an inspiration for us all. During the year, two members of our team marked milestone moments.

Three decades of service

Sandy Cummins started work as a carer at Lydon House near St Albans in 1991. After an incredible 30 years' service, Sandy is now the Head of Care. We marked Sandy's significant milestone with tea and cake alongside staff and residents.

Sandy said: "It has been such a privilege being able to spend time getting to know so many residents and having the opportunity to listen to their stories and experiences."

Jenny Pattinson, The Salvation Army's Interim Director of Older People's Services, said: "Sandy is extremely hardworking and hugely valued, and 30 years is a milestone to be celebrated in a sector that often sees staff move on after only a couple of years."

Top industry award nomination

Emma Bailie, Home Manager at The Salvation Army's Youell Court in Coventry, was nominated for the Care Home Registered Manager award at the 2020 Great British Care Awards (delayed to 2021 due to the pandemic).

It recognised 'exceptional skills' in managing a care home and 'commitment' to high levels of person-centred care. Emma, who has worked at the home since January 2017, said: "Receiving the nomination itself is amazing. To know that our home and our team has been recognised is fantastic."

To involve everyone in the celebration, the organisers asked staff and residents from each nominated home to perform a short routine to a pop song chosen by the awards body. All the videos will be collated and shown on the night. Emma added: "We dressed up in fancy dress, we had lots of dance practice, and we had so much fun with our residents".

RESPONDING TO EMERGENCIES

Today's Good Samaritan

Every year, thousands of people and responders in communities around the UK are caught up in floods, fire and other emergencies.

As a Christian church with a strong social conscience, we seek to alleviate distress wherever it is found and to fulfil a crucial role during and after a major emergency.

The Salvation Army's Emergency vehicles attend around 250 call outs per year.

Planning ahead

In May 2021, we attended a House of Lords committee calling to be more closely involved in advance planning for major incidents such as floods, fires or pandemics.

Adrian Clee, the church and charities' Emergency Response officer, told the committee that genuine engagement is still sporadic and that the vital role that the voluntary sector is very much an afterthought. He called for changes to legislation to strengthen the role of the voluntary sector in preparing and responding to emergencies in two ways:

- To continue to support and fund the National Voluntary Sector Emergencies Partnership, of which The Salvation Army is a member. This would maintain effective cooperation and dialogue between charitable organisations and Government at a local and national level.
- To change the Civil Contingencies Act 2004 to include a legal duty for local government to consult and truly involve charity and voluntary organisations as part of their emergency incident planning work.

Preparing with training and drills

In the North East - a two-day exercise by the National Resilience Urban Search and Rescue (USAR) was hosted at the service headquarters of Tyne and Wear Fire and Rescue Service. It prepared Salvation Army volunteers to respond during a major multi-agency incident.

The high level training featured a series of incident simulations which included a collapsed block of flats and an incident with a coach vehicle, so they could compare different types of specialist response. Participants used specialist equipment and learned cutting edge rescue techniques.

Chris Lowther, Chief Fire Officer for Tyne and Wear Fire and Rescue Service, said: "We were proud to welcome the National Resilience team to the region and for Tyne and Wear to host such an important and significant event.

In Essex - Salvation Army leaders welcomed a new partnership with Essex County Fire and Rescue Service to support firefighters at large-scale incidents. Similar partnerships already operate with other fire and rescue services in the UK. Ryan Ainger, Operational Policy Station Manager at Essex County Fire and Rescue Service said: "On behalf of our Service, I'd like to thank the Salvation Army for their support, which will make a big difference to our firefighters.

In Wales - the Salvation Army Emergency Response Unit supported a multi-agency, real life training exercise that took place in March 2022 at the Severn Tunnel Junction. This included providing refreshments for over 100 firefighters from the South Wales Fire and Rescue Service.

Adrian Clee, Territorial Emergency Response Officer said: “It’s helpful to take part in these exercises, to give volunteers an opportunity to practice, and see the work that we do during an emergency response”.

In action on the ground

In Kent - Salvation Army church leaders and volunteers helped people in Ashford, Kent after an explosion destroyed two houses in May 2021.

Major Bramwell Hayes and Captain Rhonda Hayes from Ashford Salvation Army delivered refreshments to the local authority rest centre set up at St Mary’s Church, Willesborough for nearby residents evacuated from their homes.

In Lancashire - we supported 999 workers and residents who were evacuated from their homes in the early hours after a suspected gas explosion in Heysham. Tragically a two-year-old boy died and four people were injured.

The Emergency Response Vehicle team arrived at 4.45am. About 80 fire fighters, 40 police officers, 15 paramedics, 40 council staff and 90 residents were given food and drink at the scene.

Major Nigel Tansley who runs the church and charity’s emergency response vehicles across the north west, said: “We were also able to offer a listening ear to those who needed it. I spent most of the time speaking to fire crews and people whose homes had been damaged. It was a distressing situation and our thoughts and prayers are with everyone affected.”

Around the country - our emergency response teams, including officers and volunteers, mobilised to offer help in the aftermath of Storm Eunice in February 2022.

Homelessness centres in St Helens, Blackburn, Coventry and London gave emergency beds to dozens of rough sleepers. In Stockport, the Army provided food, drink and emotional support to fire crews, mountain rescue teams and Hazardous Area Response Team paramedics.

The Salvation Army also distributed hot drinks and food to more than 60 homes in the village of Botesdale, Suffolk, where a tree crashed through a power line and left residents without electricity for three days.

RAISING FUNDS

The income streams for The Salvation Army Social Work Trust consist mainly of statutory funding and, to a lesser degree, income from the sale of assets and income from legacies and donations which have been specifically made to and received directly by this Trust.

Fundraising for the overall work of The Salvation Army, including the work carried out by The Salvation Army Social Work Trust, is largely managed through and executed under The Salvation Army Trust, a separate charity from The Salvation Army Social Work Trust.

One of the distinctive features in the delivery of services covered by The Social Work Trust is that we always seek to do the best we can to help people experience holistic change. Often this means providing additional support services, training and skills development. This comes at a cost, and therefore to meet this additional cost The Salvation Army Trust makes a grant to The Salvation Army Social Work Trust based on funding needs.

This grant is agreed in advance as part of the budgeting process, and the actual value of the grant made during the year appears in The Social Work Trust as 'Grants Receivable: The Salvation Army Trust'.

No active fundraising is carried out by The Salvation Army Social Work Trust.

Our fundraising and appeals programme feature the work of both trusts.

The Salvation Army Trust Report and Accounts form a sister publication to these reports and accounts.

SUBSIDIARIES

The Salvation Army Social Work Trust works in harmony with its subsidiary Salvation Army Housing Association (saha). saha operates nationally in 80 local authorities across England and has five main areas of operation:

1. Agency Managed Centres (1,539 bed spaces):
saha works in partnership with a number of organisations nationally to provide a wide range of Agency Managed Supported Housing services. These include residential centres (called Lifehouses) for homeless single people and homeless families, centres for those recovering from addictions, accommodation for ex-offenders and individuals and families fleeing domestic violence. Within these partnerships, saha act as the landlord owning and maintaining the buildings, whilst the managing agents undertake the day to day management of the service.
2. General Needs (1,274 homes):
saha own a range of accommodation that provides secure affordable housing for families and individuals. Generally, residents access this accommodation through local authority waiting lists as we have nomination arrangements in place with the local authority partners.
3. Accommodation for the over-55s (293 bed spaces):
Some of saha's accommodation is specifically designed for those over the age of 55, including a scheme manager providing on-site support. In accommodation where there is no staff on site, there will be an alarm call system and other types of floating or community support available. Styles of accommodation vary from

studio flats to bungalows. Many of saha's schemes have communal facilities where can engage in a range of activities.

4. Directly Managed Supported Housing (476 bed spaces):
saha directly manage a number of schemes throughout England, both managing the building and delivering the day to day management and support. As with the Agency Managed schemes these support a wide range of homeless people and families. All of these schemes have 24 hour staff support, and residents engage in a range of activities to promote independence with the aim of resettlement into independent living.
5. Registered Care Homes (52 bed spaces):
saha own a number of registered care homes, working with a partnering agency to provide support and care for clients in a residential environment.

saha also manages over 718 residential properties on behalf of The Salvation Army, providing a housing management service throughout the country.

MODERN SLAVERY AND ANTI HUMAN TRAFFICKING STATEMENT

As the Salvation Army in the United Kingdom and Ireland Territory we hold a zero-tolerance stance on acts of modern slavery and human trafficking and on any breach of our Ethical Policy and will not condone any such action by our contractors, suppliers or consultants. We take this issue very seriously and are committed to preventing acts of modern slavery and human trafficking from occurring within our supply chain. Our Procurement Ethical Policy is integral to all supplier contracts and sets out the overall standards surrounding human rights, child labour, discrimination, corruption, bribery or other financial impropriety, legal compliance and ethical conduct with which our suppliers must comply.

A Supplier Ethical Declaration is referenced in the standard purchase terms and conditions of The Salvation Army and compliance is a contractual requirement for all suppliers operating under these standard terms and conditions. In addition, all suppliers and contractors submitting tender responses must confirm their agreement and acceptance of the terms and conditions and sign the ethical declaration and apply these standards to their own supply chains.

Our Procurement Unit continually reviews its supply base, examining suppliers in those areas that represent the highest risk of modern slavery, particularly in spend areas relating to temporary labour, cleaning, catering, linen, branded goods and building services. Where possible trade and industry best practice standards are used as the benchmark and the Salvation Army has adopted the use of Constructionline for tendering and selecting building suppliers.

Due to the importance of training and education in the fight against modern slavery, the Procurement Unit has partnered with Stronger Together to deliver training to members of its team on identifying potential victims of modern slavery. All members of the Procurement team complete the Chartered Institute of Purchasing and Supply ethical procurement assessment annually.

The Procurement team holds regular Helping the Salvation Army Buy Better training seminars for stakeholders where ethical supply chain issues are covered. The Procurement team has also hosted a supplier conference with a specific focus on providing education on combating supply chain labour abuses. The commitment to ensuring ethical supply chain standards is also embedded in the recently adopted Salvation Army Fiscal Stewardship Principles and the Procurement Unit will be asked to report against these standards regularly.

REVIEWING FINANCES

Income

	2022	2021
	£m	£m
Charitable activities:		
Centres' revenue income	73.5	73.3
Other social operations	71.7	51.7
Housing association turnover	24.6	24.7
	169.7	149.7
Legacies and donations	5.3	5.3
Grants from The Salvation Army Trust	23.5	16.0
Investment and rental income	1.4	1.5
Other income	1.4	0.2
Total income	201.4	172.7

Centres' revenue income

The main elements are:

- charges for residents in our care homes for older people (£13.7 million)
- charges for residents in our Lifehouses (£26.4 million)
- income received under contracts with local authorities, principally Supporting People contracts (£29.4 million)

Other social operations

The main elements are:

- Employment Plus (£4.9 million)
- Anti-Trafficking (£66.6 million)

Our Employment Plus team provides services to help unemployed people into work through several Work Programme contracts where The Salvation Army is a subcontractor. Income fluctuates as it is dependent on the number of referrals and also on clients securing and retaining employment.

We provided support to the victims of modern slavery under a contract with the Ministry of Justice. The demand for this service has increased year on year.

Housing Association turnover

This represents the turnover of The Salvation Army Housing Association (saha), a subsidiary of the Social Work Trust, adjusted to reflect the accounting policies and reporting requirements of the Social Work Trust.

Legacies and donations

Legacies of £1.4m and donations of £3.8m were received in the current year.

Grants from The Salvation Army Trust

The Salvation Army Trust provides financial support to the Social Work Trust. This includes the Big Collection Appeal which is an annual appeal undertaken by corps (church) members specifically for social work programmes.

Expenditure

	2022 £m	2021 £m
Charitable activities:		
Centres' operations	88.5	86.3
Other social operations	73.7	54.0
Housing association operating costs	24.8	21.8
	<u>187.0</u>	<u>162.1</u>
Cost of raising funds	0.1	0.1
Total expenditure	<u>187.1</u>	<u>162.2</u>

Centres' operations

This represents the operating costs of care homes for older people, Lifehouses, detox centres, day care centres and other non-residential projects. Decreased costs reflects significantly decreased activity at certain centres due to the pandemic.

Other social operations

The increased costs reflect the increase in the number of victims of trafficking being helped by our service as well as Employment Plus and family tracing.

Net gains/(losses) on investments

There has been an unrealised gain on investments of £10.4 million (2021: gain of £23.9 million).

Funds

Excluding investment gains of £10.4 million, the Social Work Trust (excluding saha results) has generated a surplus of £11 million compared to a surplus of £9.1 million in the previous year.

Total funds at the year end were as follows:

	2022 £m	2021 £m
Endowment funds	16.8	15.8
Restricted funds:		
Social Work Fund	82.5	76.4
Social Work projects	37.9	36.3
saha operations	128.1	123.8
Total restricted funds	248.5	236.5
Unrestricted funds:		
Designated funds	23.5	19.6
Unrealised investment gains	71.2	64.8
General reserve	15.4	12.9
Total unrestricted funds	110.1	97.3
Total funds	375.4	349.6

Endowment funds

All endowment funds are represented by investment in the Common Investment Funds and the movement is due to the increase in market value of the investments. The capital value of the funds is retained but the income is applied to fund our work.

Restricted funds

Social Work Fund represents property assets including Lifehouses, care homes and other properties used for the operations of the parent charity. These funds are not therefore available to spend.

All income generated from defence services operations is restricted for this work. Funds restricted for social work projects represent legacies and donations given for specific purposes.

All saha funds are treated as restricted in the group accounts.

Unrestricted funds

Designated reserves

These are funds set aside by the directors for capital projects, major repairs and refurbishments and future programmes. These will be used in the next three years to fund new developments and significant refurbishment projects as they are approved.

The levels of designated funds are reviewed annually. These are funds set aside by the directors for new projects and to meet known future commitments such as maintenance of our properties. The Board of Directors (SATCo) approved a new commitment to a Sinking Fund, designating £4m for the replacement of major components of buildings as part of a

larger project addressing the necessary investment in properties within the Social Work Trust.

Unrealised gains

These are book profits subject to fluctuations in the stock market.

General reserve

This represents funds which are freely available for the general purposes of the charity.

RESERVES POLICY

Our reserves policy focuses on the level of general reserves.

We work with vulnerable and disadvantaged members of society, principally through our residential centres. We need reserves so that we can maintain continuity of our services in the event of a decrease in income or unexpected expenditure.

The directors have reviewed the main income streams, the risks associated with them, the main categories of expenditure and the extent to which these can be curtailed if required. A significant proportion of our income is received under contract from local authorities. As such this is subject to regular competitive tendering and to changes in central and local government policies. The Trust also receives a grant from its sister trust - The Salvation Army Trust - generated from its fundraising to support work of the trust. There is a much smaller portion of income that is voluntary income which can be uncertain and fluctuate from year to year.

The level of general reserves is reviewed on a regular basis considering the risks and changes in the income and expenditure streams. The target range for free reserves is currently set at £4m to £5m for free reserves. This will be reviewed by SATCo during the 2022/23 financial year.

Whilst as at the year-end general reserves amounted to £15.4 million, the Directors consider this to be appropriate as the charity enters a period of national hardship and an unknown social-economic political climate. The uncertainty due to the war in Ukraine, rising inflation and escalating energy costs will impact expenditure across the Trust which is heavily dependent on contract funding which is not growing at the same rate and at a time when the Trust's services will be more heavily called upon.

INVESTING FOR THE FUTURE

The charity holds its investments in The Salvation Army Common Investment Funds. These funds were set up under Schedule 2 of The Salvation Army Act 1980 to act as common investment schemes for certain Salvation Army Trusts.

The Salvation Army Common Investment Fund (No 1) consists of permanent endowments which are restricted by the wishes of the donor. In most cases the income is to be used for restricted purposes. The Salvation Army Common Investment Fund (No 2) is operated for those Salvation Army Trusts without permanent endowments. Both funds are managed by The Salvation Army Trustee Company. Cazenove Capital Management manages CIF1 and 50 per cent of CIF2, whilst Sarasin & Partners LLP manage 50 per cent of CIF2.

The funds are subject to The Salvation Army Act 1980 and the following guidelines:

- the principal aim is to invest in a manner consistent with the promotion of the objects of The Salvation Army
- investments should be made on longer-term considerations rather than in the pursuit of short-term gains
- investments may be held in stocks, shares, debentures and other securities quoted on a recognised stock exchange, in government, municipal and public utility stocks and in bank deposit accounts
- investments may be made in collective investment schemes, including those holding real estate assets
- no direct investment may be made in unquoted securities in the UK or overseas
- there will be no investment in companies which derive a material amount of their revenues (% indicated) from the following activities:
 - the production of alcohol (5%)
 - the sale, together with any production, of alcohol (10%)
 - the production of tobacco (5%)
 - the sale, together with any production, of tobacco (10%)
 - the manufacture of whole weapons, weapon platforms and weapon systems (no minimum limit)
 - the manufacture or sale of strategic parts for weapons systems (10%)
 - the business of gambling or providing access to such businesses (5%)
 - the production of adult entertainment services or providing access to such services (1%)
 - the publication or wholesale of pornographic magazines or newspapers (1%)
- Investment managers are expected to exclude companies whose activities might reasonably be expected to increase poverty or act against the relief of poverty. The investment managers are required to monitor companies in the portfolios to ensure best practice in corporate governance, employment conditions and environmental sustainability

The Funds' benchmark and ranges of distribution are as follows:

Asset Class	Benchmark	Range
	%	%
Equities:		
Global	100	+/-10
Bonds	0	+10
Cash	0	+10
	100	

The aims and objectives of the Common Investment Funds are as follows:

CIF1

Fund strategy is:

- to preserve the value of the fund, adjusted for real inflation
- to maintain a steady annual income stream

The performance objective of the Fund is to achieve an annual total return which exceeds the composite benchmark below by at least 1.25 per cent per annum, gross of fees, measured over rolling three-year periods.

Asset Class	Performance Benchmark
UK Equities	FTSE All-Share
Europe (ex UK) Equities	FTSE All World Developed Europe (ex UK)
Emerging Markets Equities	FTSE All World Emerging Markets
Asia Pacific Equities	FTSE All World Developed Asia Pacific
United States Equities	S&P 500
Property	IPD UK Property

CIF2

The Fund strategy is to aim for capital growth rather than income. The performance objective of the Fund, excluding cash and gilts under lien, is to achieve an annual total return which exceeds the composite benchmark below by at least 1.25 per cent per annum, gross of fees, measured over rolling three-year.

Asset Class	Performance Benchmark
UK Equities	FTSE All-Share
Europe (ex UK) Equities	FTSE All World Developed Europe (ex UK)
Emerging Markets Equities	FTSE All World Emerging Markets
Asia Pacific Equities	FTSE All World Developed Asia Pacific
United States Equities	S&P 500
Property	IPD UK Property
Cash and gilts under lien	FTSE Gilts under 5 years

Performance for the year compared to the benchmark was as follows:

	CIF1	CIF2
	%	%
Annual total return (gross of fees)	5.3	6.1
Benchmark return	13.6	13.6

For the year to 31 March 2022 CIF 1 and CIF 2 underperformed compared to global market benchmark. The performance is being monitored on a regular basis through discussions with the respective investment fund managers.

In absolute terms the performance of the Common Investment Funds for the year was as follows:

	CIF1	CIF1	CIF1	CIF2	CIF2	CIF2
	2022	2021	2020	2022	2021	2020
	%	%	%	%	%	%
(Decrease)/Increase in capital value of fund	6.8	22.3	-9.3	17.1	25.5	-8.4
Average net income return	0.4	0.5	1.7	0.7	0.8	2.1

STRUCTURE, GOVERNANCE AND MANAGEMENT

The United Kingdom and Ireland Territory is under the command of a Territorial Commander, appointed by the General and responsible to him/her for the day-to-day administration of Salvation Army work throughout the British Isles, including the Channel Islands, the Isle of Man and the Republic of Ireland.

The Salvation Army's property in the United Kingdom Territory is held by The Salvation Army Trustee Company (SATCo), a company limited by guarantee, registered in England (No 00259322), with its registered office at 101 Newington Causeway, London SE1 6BN.

The two main trusts under which The Salvation Army in the United Kingdom operates are:

1. The Salvation Army Social Work Trust, whose accounts are contained in this Report
2. The Salvation Army Trust, Charity Registration No 214779 in England and SCO09359 in Scotland

The governing document of The Salvation Army Trust is The Salvation Army Act 1980, as amended. Under Section 12(1) (a) The Salvation Army Trustee Company is appointed as the sole ordinary trustee of the trusts listed in Schedule 5 to that Act.

The governing document of The Salvation Army Social Work Trust is the Deed Poll dated 30 January 1891 and a supplementary deed dated 26 March 1969.

The Salvation Army Social Work Trust acts as managing agent for a number of projects on behalf of several registered housing associations, including The Salvation Army Housing Association.

Salvation Army Housing Association

The Salvation Army Social Work Trust has the power to exercise control over the Salvation Army Housing Association (saha). saha is registered with the Co-operative and Community Benefit Societies Act 2014 and is a registered social landlord regulated by The Regulator of Social Housing.

RISK MANAGEMENT

The Salvation Army identifies, assesses and manages risks that could impact its activities so it can better achieve its objectives, comply with relevant laws and regulations and safeguard its funds and assets.

The Board (SATCo) has ultimate responsibility for overseeing risk management, in accordance with Charity Commission guidance (CC26). The Risk Management Committee (RMC) directs an enterprise-wide risk management programme to inform decision making and ensure effective procedures to identify and evaluate risks and implement effective controls.

The RMC considers the most recent developments in the most significant risks, while also prioritising broader developments to the Salvation Army's approach to risk management. The current three-year plan promotes a deepening appreciation of the complexities of risk management within a wide-ranging structure, the importance of metrics to inform risk management and the implications of macro and global risks that may have consequences for the organisation.

Risk management operates through a top-down review by the RMC and bottom-up review by individual functions, enabling the identification and prioritisation of key and emerging risks. This enables site and service specific concerns to be identified and managed, whilst retaining high level oversight and assurance of the most significant risks facing the organisation. The RMC reports to the Board at least twice yearly on key risks. Through this risk management process the trustees have considered the major risks facing the organisation and satisfied themselves that controls are established to manage them.

Unfortunately, the nature of our work means that despite the steps we take, serious incidents can still arise, and we continue to place the utmost importance on reporting these to our regulators.

The following table outlines the most significant risks for the reporting period, taking account of their impact and likelihood, and the mitigations in place to manage them.

Principal risks

The Salvation Army's work is diverse, geographically spread across a broad range of settings and has a variety of beneficiaries. The risk landscape is therefore varied, and controls are deployed appropriately at different levels of the organisation. The following outline indicates the most significant risks in the reporting period, and some of the strategic level mitigations we have in place.

Principal Risks	Mitigation
Business Continuity - There is a risk that the occurrence of a significant incident where, during and after the incident, The Trust will not be able to continue to be viable and meet stakeholder expectations.	Business continuity policies and procedures, including the application of ISO27001 for some parts of the organisation, prepare us for management of interruptions.

Cyber - The risk is that we fail to protect our information systems and the information they hold.	We deploy multiple measures to protect our systems and the information they hold. We work within an information security international standard (ISO27001) and build on lessons from our internal and external audits in this area. The Salvation Army United Kingdom and Ireland Territory experienced an IT incident in June of 2021, the impact on the work of the Trust was contained with temporary operational adjustments allowing the Trust to continue business as normal.
Data Protection - The risk that we fail to protect sensitive and personal data.	As well as our data protection/GDPR policies and training we take steps to ensure that personal data is treated properly through appropriate security measures, staff training, the use of data protection impact assessments and contractual requirements with organisations we work with who process our personal data.
Financial Sustainability - The risk that there is insufficient revenue income from donations and reserves to support our operating model resulting in the failure of The Trust to thrive in a rapidly changing environment	We continue to monitor the funding situation and adjust our financial planning and commitments accordingly to ensure we are financially resilient.
Safeguarding - The risk is that we fail to provide a safe environment, free from abuse, for everyone, including vulnerable beneficiaries.	We continue to maintain clear policies and procedures in relation to safeguarding and ensure the appropriate screening, training and supervision of personnel. A subcommittee of RMC - the Territorial Safeguarding Committee - oversees management of the risk.
Safe Mission - The risk is that we are not able to ensure the health, safety and welfare of personnel, service users and members of the public who are affected by our activities, including in a Covid-impacted environment.	Comprehensive policies, procedures and guidance are in place, alongside a supervisory control framework. Two RMC subcommittees - the Safe Mission Council and the Sudden Deaths Review Group - inform the management of this risk.

RECRUITMENT AND APPOINTMENT OF DIRECTORS (TRUSTEES)

There are 15 directors, 10 by virtue of their appointments within The Salvation Army. One director is a divisional leader responsible for one of The Salvation Army's 22 divisions.

Each non-executive director brings expertise in a relevant field - property, finance, fundraising/marketing, investments or social services. The appointment of non-executive directors is made by The General on the recommendation of the Nominations Committee.

Training and Induction of Directors

The Company Secretary briefs new directors on their legal responsibilities and familiarises them with the Company's governance folder (and previous Board minutes). This includes the articles of association of SATCo, the Charity Commission's essential trustee guidance, and other key documents and policies (including the Conflicts of Interest Policy). The Company Secretary regularly delivers a written governance update on relevant issues at each board meeting. Directors are also informed of and provided with the opportunity to attend several training sessions throughout the year.

Organisational Structure and Decision Making

SATCo's board (the 'Board') is assisted by, an Audit Committee, a Nominations Committee, an Investment Advisory Committee and a Risk Management Committee. The Audit Committee comprises a non-executive director chair and three independent members with a remit to review The Salvation Army's internal and external audit arrangements and consider reports issued by internal and external auditors including the annual financial statements. The role of the Nominations Committee is to recommend new non-executive Board members. The Investment Advisory Committee includes three external advisers in its membership and advises on appropriate investments. The Risk Management Committee is referred to below under Risk Management.

The Board met bi-monthly year, with some additional meetings scheduled as required in this reporting year. In addition to its oversight and governance role, the following matters require consideration and approval by the Board:

- annual budget
- individual items of expenditure of £5 million and above
- investment policy, on the recommendation of the Investment Advisory Committee
- Risk Register
- Key policies
- Annual Financial Statements

The Board has delegated day to day operational matters to the Territorial Operations Board, under the leadership of the Chief Secretary.

During the 2019/20 financial year, the Internal Audit Department reviewed SATCo's performance against the Charity Governance Code for larger charities. The review identified a number of areas in which SATCo was performing well and other areas for development. Another assessment has been requested by the Chairman of SATCo that will take place in the 2023/24 financial year.

Directors' Responsibilities

The directors of SATCo are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of The Salvation Army Social Work Trust, and of the income and expenditure for that period. In preparing the financial statements, the directors are required to:

- select and consistently apply suitable accounting policies
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed
- observe the principles of the Charity SORP
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that The Salvation Army Social Work Trust will continue to operate

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of The Salvation Army Social Work Trust and are required to ensure the financial statements comply with The Salvation Army Act 1980, the Charities Act 2011 and The Charities and Trustees Investment (Scotland) Act 2005. They are also responsible for safeguarding the Trust's assets, taking reasonable steps to prevent and detect fraud and other irregularities.

The directors have regard to the Charity Commission's general guidance on public benefit that is relevant to The Salvation Army Social Work Trust.

Remuneration of Key Management

Key management personnel of The Salvation Army comprise Salvation Army officers and employees. Salvation Army officers do not receive a salary, instead they receive an allowance based on length of service and seniority of position, as ministers of religion, are provided with furnished accommodation and a motor vehicle. The allowances received by officers in positions of key management range from £17,684.18 to £24,628.20 per annum.

For employees, we are committed to ensuring a proper balance between paying salaries which will enable us to attract and retain staff of the appropriate calibre and careful stewardship of charitable funds. All senior salaries are benchmarked against senior staff salaries of comparable organisations in the not-for-profit sector.

No remuneration of key management personnel is charged directly to the Social Work Trust. Further information is disclosed in Note 9 and 10 to the Accounts.

**On behalf of the Directors of The Salvation Army Trustee Company
18 November 2022**

DIRECTORS

The current directors of The Salvation Army Trustee Company and those who held office during the year are as follows:

Commissioner Anthony Cotterill	Chair
Colonel Paul Main	Deputy Chair
Colonel Jenine Main	
Lieut-Colonel Alan Read	Managing Director
Lieut-Colonel Andrew McCombe	
Lieut-Colonel Beverley McCombe	
Lieut-Colonel Dean Pallant	
Lieut-Colonel Judith Payne	
Major Noreen Batt	
Major Judith Hilditch	
Helen O'Brien	
Philip Edwards	(appointed 09.09.22)
Mark Puller	
Peter Gale	
Graham Roper	(until 19.09.21)
Andrew Stickland	

The Chief Secretary, Colonel Paul Main, is responsible for the day-to-day management of the charity.

Committee Members (current)

Territorial Operations Board

Colonel Paul Main (Chair), Commissioner Gillian Cotterill, Major Jane Cowell, Tony Daniels, Major Mal Davies, Miguel Fiallos, Peter Grant, Major Judith Hilditch, Major Paul Kingscott, Major Mike Lloyd-Jones, Mitch Menagh, Alex O'Hara, Major Julian Watchorn, Major Richard Waters, Julius Wolff-Ingham

Audit Committee

Andrew Stickland (Chair), Stephen Bright, Hannah Greenfield, Mike Grills

Investment Advisory Committee

Peter Gale (Chair), Mark Colton, William Dalziel, Major Judith Hilditch, Mary Haly, Major Beverly Lloyd, Lieut-Colonel Alan Read, Philip Rotherham, Daniel Wills

Nominations Committee

Peter Gale, Colonel Paul Main, Lieut-Colonel Alan Read, Elliot Thomas

Risk Management Committee

Helen O'Brien (Chair), Major Kerry Coke, Lieut-Colonel Andrew McCombe, Lieut-Colonel Beverley McCombe, Lieut-Colonel Dean Pallant, Lieut-Colonel Alan Read, Elliot Thomas, Daniel Wills, Major Julian Watchorn, Julius Wolff-Ingham

Company Secretary

Elliot Thomas is Company Secretary of The Salvation Army Trustee Company.

ADVISERS

Bankers

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

Auditors

Knox Cropper LLP, Chartered Accountants, 65 Leadenhall Street, London EC3A 2AD

Solicitors

England and Wales: Slaughter and May, 1 Bunhill Row, London EC1Y 8YY

Scotland: Blackadders, 5 Rutland Square, Edinburgh EH1 2AX

Investment Advisers

BWCI Consulting Limited, PO Box 68, Albert House, South Esplanade, St Peter Port, Guernsey GY1 3BY

Investment Managers

Cazenove Capital Management, 12 Moorgate, London EC2R 6DA

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

Legal & General Investment Ltd, One Coleman Street, London, EC2R 5AA

INDEPENDENT AUDITORS REPORT TO THE SALVATION ARMY TRUSTEE COMPANY, THE MANAGING TRUSTEE

Opinion

We have audited the consolidated financial statements of The Salvation Army Social Work Trust Group for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Balance Sheets, the Consolidated Statement of Cash Flows and the related notes. 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:

- (a) give a true and fair view of the state of The Salvation Army Social Work Trust group and parent charity's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, for the year then ended;
- (b) have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- (c) have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustees Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information.

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

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

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

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

Responsibilities of trustee

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144(1) of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified the legal requirements to comply with this legislation

including the requirement to correctly account for restricted funds. The Charity is also required to comply with the Health and Social Care Act and the regulations issued thereunder and compliance with the standards issued by the Care Quality Commission is a key issue.

- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds and to comply with the care quality standards, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions. We also reviewed reports and ratings published for the most recent Care Quality Commission inspections to ensure that there were no cases of non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the charity's 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 the charity's trustees as a body, for our audit work, for this report or for the opinions we have formed.

65 Leadenhall Street
London EC3A 2AD

Knox Cropper LLP
Chartered Accountants
Registered Auditors

18 November 2022

Knox Cropper 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 MARCH 2022

	Note	Endowments £000	Restricted £000	Unrestricted £000	2022 Total £000	2021 Total £000
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies						
Grants receivable: The Salvation Army Trust		-	-	23,547	23,547	16,000
Donations		-	2,917	917	3,834	4,145
Legacies		-	1,423	-	1,423	1,168
		-	4,340	24,464	28,804	21,313
Charitable Activities						
Centres' operations	2	-	1,068	72,401	73,469	73,328
Other social operations	3	-	3,071	68,612	71,683	51,691
Housing Association turnover	11	-	24,579	-	24,579	24,714
		-	28,718	141,013	169,731	149,733
Investments	4	-	148	1,242	1,390	1,496
Other						
Gains on disposal of fixed assets	5	-	1,437	-	1,437	164
TOTAL INCOME		-	34,643	166,719	201,362	172,706
EXPENDITURE ON:						
Raising Funds						
Investment management costs		-	-	50	50	50
		-	-	50	50	50
Charitable Activities						
Centres' operations	6	-	3,987	84,498	88,485	86,336
Other social operations	7	-	1,647	72,012	73,659	53,963
Housing Association operating costs	11	-	24,835	-	24,835	21,833
		-	30,469	156,510	186,979	162,132
TOTAL EXPENDITURE	8	-	30,469	156,560	187,029	162,182
Net Gains/(Losses) on Investments	15	956	3,068	6,422	10,446	23,925
NET INCOME / (EXPENDITURE)		956	7,242	16,581	24,779	34,449
Transfers between Funds *	20/21	-	3,754	(3,754)	-	-
Other Recognised Gains / (Losses)						
Actuarial Gains / (Losses) on Defined Benefit Pension Schemes	11	-	944	-	944	(2,583)
NET MOVEMENT IN FUNDS		956	11,940	12,827	25,723	31,866
RECONCILIATION OF FUNDS: 19/20/21						
Total Funds brought forward (as restated)		15,838	236,520	97,306	349,664	317,798
TOTAL FUNDS CARRIED FORWARD		16,794	248,460	110,133	375,387	349,664

All income and expenditure has arisen from continuing activities. £21,425k of the net income of funds disclosed above arises in the parent charity (2021: net income of £33,050k). *Transfers between funds arise from property transactions, because all funds expended on property assets are reflected as restricted funds, net of funding of homeless and older people's services centres from legacy funds.

BALANCE SHEET
AS AT 31 MARCH 2022

		Group		Parent	
	Note	2022	2021	2022	2021
		£000	(restated) £000	£000	(restated) £000
FIXED ASSETS					
Tangible Fixed Assets					
Properties	12	191,060	195,477	73,763	76,422
Property schemes in progress	13	5,600	4,671	5,523	4,370
Motor vehicles and equipment	14	406	239	199	205
Investments	15	163,411	152,965	131,411	123,914
TOTAL FIXED ASSETS		360,477	353,352	210,896	204,911
CURRENT ASSETS					
Stocks		174	130	174	130
Debtors and prepayments	16	23,392	12,373	21,767	10,909
Short-term deposits		10,730	10,727	10,730	10,727
Bank balances and cash		27,083	37,848	17,683	24,460
		61,379	61,078	50,354	46,226
CREDITORS: Amounts falling due within one year	17(a)	(22,630)	(32,153)	(13,930)	(25,243)
NET CURRENT ASSETS		38,749	28,925	36,424	20,983
TOTAL ASSETS LESS CURRENT LIABILITIES		399,226	382,277	247,320	225,894
Creditors: Amounts falling due outside one year	17(b)	(20,976)	(28,424)	-	-
Defined Benefit Pension Scheme Liability	10(c)	(2,863)	(4,189)	-	-
TOTAL NET ASSETS		375,387	349,664	247,320	225,894
FUNDS					
Endowment Funds	19	16,794	15,838	16,794	15,838
Restricted Funds	20				
Social Work Fund		82,543	76,422	82,543	76,422
Other Restricted Funds		165,917	160,098	37,850	36,328
		248,460	236,520	120,393	112,750
Unrestricted Funds	21	110,133	97,306	110,133	97,306
TOTAL FUNDS	22	375,387	349,664	247,320	225,894

Approved on behalf of The Salvation Army Trustee Company on 18 November 2022 by:

Lieut-Colonel Alan Read (Director)

Major Judith Hilditch (Director)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net Cash provided by/(used in) operating activities	23		(1,524)		15,675
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment and rental income		1,390		1,496	
Additions to properties		(4,855)		(1,518)	
Additions to motor vehicles and equipment		(253)		(179)	
Additions to property schemes in progress		(1,833)		(2,543)	
Proceeds on disposal of motor vehicles and equipment		-		437	
Purchase of investments		-		-	
Proceeds on disposal of properties		4,107		648	
Management of short-term deposits		(3)		3,187	
Net Cash provided by investing activities			(1,447)		1,528
CASH FLOWS FROM FINANCING ACTIVITIES:					
Interest payable		(865)		(1,037)	
(Decrease)/Increase in Bank Loans		(6,929)		(2,268)	
Net Cash provided by/(used in) financing activities			(7,794)		(3,305)
Change in Cash and Cash Equivalents in the year			(10,765)		13,898
Cash and Cash Equivalents at the beginning of the year			37,848		23,950
Cash and Cash Equivalents at the end of the year			27,083		37,848

ANALYSIS OF CHANGES IN NET DEBT

	Balance 1 April 2021 £000	Cash-Flows £000	Net Loan Movements £000	Balance 31 March 2022 £000
Cash at Bank	37,848	(10,765)	-	27,083
Loans falling due within one year	(1,565)	-	(942)	(2,507)
Loans falling due after more than one year	(27,671)	-	7,871	(19,800)
	8,612	(10,765)	6,929	4,776

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements for the Social Work Trust, which have been consistently applied, are as follows:

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, subject to the inclusion of certain financial instruments and investment properties at fair value and donated properties at valuation on acquisition, and are in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition - October 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', The Salvation Army Act 1980, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

Through careful budgeting and regular forecasting to ensure income and expenditure is close to expected, the Trust expects to continue to be able to meet its liabilities in the next 18 months and beyond. Careful financial management has ensured that our working capital (general reserve) is higher than the level directors have set it to be, and this will provide a buffer to manage through the impact of the War in Ukraine, rising inflation, escalating energy costs as well as providing real living salaries to our employees. The general reserve levels are continually monitored and the reserves policy will be reviewed by SATCo in financial year 2022/23.

On the basis of the above, the trustee has concluded that there is no material uncertainty about the Trust's ability to meet its debts as they fall due for at least 12 months following approval of the financial statements and therefore continues to adopt the going concern basis in preparing its financial statements.

(b) Basis of Consolidation

The accounts of The Salvation Army Social Work Trust Group consolidate its accounts using the acquisition method.

(c) Key judgements and estimates used in preparing these financial statements

(i) Financial instrument classification

The classification of financial instruments as 'basic' or 'other' requires judgement as to whether all applicable conditions as basic are met. This includes consideration of the form of the instrument and its return. It also includes the review of existing financial liabilities, such as loan agreements, to assess whether any modifications to the agreement will affect the classification of the instrument and its possible re-measurement. All financial instruments, including loans, are classified as 'basic'.

(ii) Capitalisation of property improvement and development costs

Property improvement and development schemes are reviewed to ascertain whether expenditure should be capitalised or charged to the Statement of Financial Activities. Expenditure which enhances the social use of the property or improves its economic return is capitalised. Expenditure which repairs a property and brings it back to its original condition is written off.

(iii) Useful lives of property, motor vehicles and equipment

The remaining useful lives of depreciable assets are reviewed by management at each reporting date and, if necessary, the depreciation charge adjusted accordingly.

- (iv) **Bad debt provision**
Gross debtor balances are regularly reviewed by management and where they assess that there is sufficient doubt as to recoverability a provision is made. In particular, accommodation charges outstanding are reviewed on a line-by-line basis and the provision is based on a number of factors including the age of the debt, value and the socio-economic situation of the debtor under review.
 - (v) **Defined Benefit Obligation**
Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 10(c)). The group net defined benefit pension obligation at 31 March 2022 was £2,863,000.
 - (vi) **Identification and valuation of investment properties**
The Group's property portfolio is reviewed annually to identify investment properties, which are those properties held to earn income or for capital appreciation rather than to be used for its charitable purposes. Properties no longer used for charitable purposes but retained until market conditions allow their disposal are not treated as investment properties, provided disposal is intended within a reasonable time scale.

After initial recognition, investment property is measured at its fair value based either on valuation by The Salvation Army Property Department or by an independent valuer. In either case the valuer will hold a recognised and relevant professional qualification. The property will be valued at each subsequent reporting date.
 - (vii) **Contractual Income Obligations**
Contractual income streams both restricted and unrestricted are controlled, monitored and reported upon against the respective contracts. The probability of returning funds to the contract provider is minimal; but by the very nature of the contracts themselves, the outcomes are monitored and reported upon on a regular basis. Should funds be returned this would be reported at the relevant committee and/or board.
- (d) **Income**
- (i) **Donations and Legacies:** Donations, including the gross equivalent of those made under Gift Aid, and legacies are brought into account in the year of receipt. Accrual is made for any material legacies outstanding at the year end provided their values can be measured reliably.
 - (ii) **Grants receivable** are recognised on an accruals basis. Grants received in advance of entitlement conditions being met are deferred on the balance sheet. If amounts are receivable for specific purposes, the income is shown as restricted. Grants received for the acquisition or development of properties are credited to restricted funds when they are receivable providing that any conditions attached to the grants have been fulfilled. Where, at the balance sheet date, conditions remain unfulfilled, the grants are deferred pending satisfaction of these conditions. Depreciation on the properties is charged to restricted funds.
 - (iii) **Investment Income:** Dividends and interest are brought into account gross in the year they are due.
 - (iv) **Realised gains on disposal** of assets are reflected in the Statement of Financial Activities in the year of disposal. Profits on disposal of investments are calculated by reference to the asset's carrying value.
- (e) **Expenditure**
- (i) **Total expenditure includes:**

Charitable Activities costs reflect all expenditure relating directly to the objects of the charity, attributable overheads and allocation of governance costs. Attributable overheads

are allocated over the range of charitable activities on an actual basis where possible, otherwise, on a basis which is consistent with the utilisation of resources.

Governance Costs reflect the costs incurred under the governance arrangements of the charity which consist of the costs of complying with legislation including audit, legal services and strategic planning. These costs are then allocated to charitable activities on a basis consistent with the utilisation of resources.

(ii) **Expenditure is charged** on the accruals basis when a legal or constructive obligation arises, and when the amount can be recognised accurately.

(iii) **Irrecoverable Value Added Tax** is charged to the related heads of expenditure.

(iv) **Pension and Similar Costs**

The Salvation Army Social Work Trust contributes to three pension or similar schemes in respect of its staff:

- The Salvation Army Retired Officers Allowance Fund relating to Salvation Army officers; and
- The Salvation Army Employees Pension Fund for other staff; and
- A defined contribution scheme.

The Salvation Army Retired Officers Allowance Fund is a registered charity and operates on the same basis as a defined benefit scheme but the benefits are not guaranteed. A standard annual contribution per unit is made to the Retired Officers Allowance Fund, which is charged in the accounts in the year in which payment is made.

The Salvation Army Employees Pension Fund is a defined benefit pension scheme which was closed to new members on 31 December 2011. The scheme is a multi-employer scheme and the actuary has confirmed that it is not practical to allocate the assets and liabilities of the scheme between participating employers. Pension costs are therefore reflected in the accounts when payments to the pension scheme fall due. The charity also recognises any contractual liability to fund a past service deficit as agreed with the Pension Scheme Trustees. Any resulting expense will be reflected through the Statement of Financial Activities. When the contribution is not expected to be settled prior to 12 months after the year end the full liability is recognised at the present value of the contributions payable using a discounted rate. No such contractual liability existed at the current year end.

Since 1st January 2012, employees can join a defined contribution scheme.

The Salvation Army Housing Association (saha) participates in the following pension schemes -

- (i) Social Housing Pension Scheme, a multi-employer defined benefit scheme. Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses. The net defined benefit pension obligation at 31 March 2022 was £2,863,000.
- (ii) The auto-enrolment SHPS defined contribution pension scheme, the contributions on which are charged when payments to the pension scheme fall due.
- (iii) The Pension Trust Growth Plan, a multi-employer defined benefit scheme. The pension charge represents the amounts payable by the company to the scheme in respect of the year. In the past, this scheme included a defined benefit element as the pensions were index linked, so where there is a contractual obligation to make payments under a deficit reduction plan in respect of the former defined benefit element of the scheme, this has been recognised as a liability in full in the financial statements.

(f) Fixed Assets

- (i) **Expenditure on the acquisition or improvement of property** is reflected as a fixed asset, whereas costs of repairs and renewals to property are charged to the Statement of Financial Activities. The non-capital element of property schemes is written off in the year in which costs are incurred.

All properties are disclosed at cost less accumulated depreciation other than saha properties at the dates of acquisition (19 January 2011 and 23 March 2017) which were brought into account at those dates at fair values (being an existing use social housing valuation (EUV - SH) prepared by independent chartered surveyors). These properties are subsequently depreciated at the rates indicated below.

- (ii) **Expenditure on the acquisition of vehicles** is capitalised and expenditure on computer equipment and other office equipment which exceeds £15,000 in value is capitalised and depreciated over its economic life. Any equipment acquired at centres is written off in the year of acquisition.
- (iii) In accordance with FRS 102 component accounting has been adopted for Freehold and Long leasehold properties. A property comprises of major components with substantially different useful lives. Depreciation is charged on major components so as to write off the cost of the components to their residual values, over their estimated useful lives, using the straight-line method, as follows

Freehold Land	Not depreciated
Building - Main Fabric (structure)	50 years
<u>Major Components</u>	
Roof structure and covering	50 years
Bathrooms and WCs	20-30 years
Lifts	25 years
Mechanical and Electrical Systems	25 years
Windows and External Doors	25 years
Kitchens	20 years

Short leasehold properties are depreciated over the term of the lease.

- (iv) Depreciation is provided on other tangible fixed assets at the following rates:

Motor Vehicles	- 25-33% pa on cost
Office Equipment	- 10-33% pa on cost

- (v) The Social Work Trust has achieved partnership status with the Homes and Communities Agency which means that it can access capital funds from this source to assist with the costs of schemes. saha has always been able to access this funding. Grants arising are credited to restricted income except where the income is subject to certain restrictions which remain unfulfilled at the accounting reference date, in which case the income is deferred. A proportion of the depreciation charge arising on the properties concerned is charged against these restricted funds.

(g) **Investments & Investment Properties**

To comply with the Charities SORP, investments are included at fair value (their market value bid price). Realised gains on investments are calculated as the difference between sales proceeds and the market value of those investments.

The Salvation Army Social Work Trust does not hold any investment properties, however its subsidiary saha owns properties held for market rent or commercial lettings and these are included as investment properties and are recorded at fair value with changes in the market value reported annually in the statement of financial activities. The fair value of the investment property is determined by using a valuation undertaken by Savills, an independent professional valuer, or by members of staff with relevant experience and qualifications.

(h) **Stocks**

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

(i) **Funds**

- (i) **Endowments consist of** permanent endowments and expendable endowments. The capital of permanent endowments must by law be retained. Expendable endowments are funds

which, although the capital and income is available to meet the objects of the Social Work Trust (subject to any donor-imposed restrictions), it is the Trustee's intention that the capital will be maintained.

- (ii) **Social Work Fund represents** monies already expended on the acquisition, construction and improvement of freehold and leasehold properties, schemes in progress and unspent allocated funds.
- (iii) **Restricted Funds are held for** restricted purposes, as specified by the donors. All saha funds are reflected in the consolidated accounts as restricted funds.
- (iv) **Unrestricted Funds include:**
 - Designated Reserves held for particular purposes designated by The Salvation Army in the exercise of its discretionary powers;
 - Unrealised Gains Reserve held to separate recognised gains still subject to market risk; and
 - General Reserve representing the net assets not designated for specific purposes.

(j) Foreign Currency Translation

Exchange gains and losses arising from overseas operations are dealt with through the Statement of Financial Activities and are reflected under Charitable Expenditure. Transactions in foreign currencies are translated at the rates prevailing at the beginning of the month whereas monetary assets and liabilities at the year end are translated at the closing rates.

2. CHARITABLE ACTIVITIES: CENTRE OPERATIONS

	-----2022-----				-----2021-----	
	Maintenance & Special Care Allowance £000	Supporting People £000	Local Authority & Other Grants £000	Catering & Miscellaneous Income £000	Total £000	Total £000
Social Services Centres						
Older People	12,551	-	56	-	12,607	11,945
Single Homeless	8,008	9,564	917	105	18,594	18,288
Family and Children	1,394	2,392	734	228	4,748	4,286
Day Care	-	231	14	33	278	544
Addictions	483	728	2	-	1,213	1,244
Other Non-Residential Programmes	71	1,192	1,558	683	3,504	3,029
	<u>22,507</u>	<u>14,107</u>	<u>3,281</u>	<u>1,049</u>	<u>40,944</u>	<u>39,336</u>
Housing Association Centres						
Older People	1,093	-	3	-	1,096	1,094
Single Homeless	18,368	9,748	1,574	32	29,722	31,210
Family and Children	725	595	51	14	1,385	1,371
Addictions	-	-	-	-	-	7
	<u>20,186</u>	<u>10,343</u>	<u>1,628</u>	<u>46</u>	<u>32,203</u>	<u>33,682</u>
Social Enterprise	-	31	102	189	322	310
Total 2022	<u>42,693</u>	<u>24,481</u>	<u>5,011</u>	<u>1,284</u>	<u>73,469</u>	<u>73,328</u>
Total 2021	<u>42,998</u>	<u>23,206</u>	<u>6,142</u>	<u>982</u>		<u>73,328</u>

The income stream for Maintenance and Special Care Allowances is recognised when there is a recognised entitlement to the income which can be accurately measured.

£1,068,000 (2021: £6,510,000) of centres' revenue income represents contracts restricted income predominantly being funding received from local authorities to fund the activities at specific centres.

£169,000 (2021: £251,000) of Government Grants, £2,736,000 (2021: £3,355,000) of Local Authority Grants and £1,244,000 (2021: £1,640,000) of Other Grants were received as part of the centre's income.

3. OTHER SOCIAL OPERATIONS

	Endowments £000	Restricted £000	Unrestricted £000	2022 Total £000	2021 Total £000
Employment Plus	-	-	4,877	4,877	3,148
Anti-Human Trafficking	-	3,071	63,521	66,592	48,353
Defence Services Operations	-	-	173	173	144
Family Tracing, Counselling etc.	-	-	41	41	46
	-	3,071	68,612	71,683	51,691

Supporting People contract income of £62,108,000 (2021: £45,911,000) was received by the Anti-Human Trafficking Service. Government Grants of £1,570,000 (2021: £1,688,000) were received across the services as part of the income displayed in this note.

4. INVESTMENTS

	Restricted £000	Unrestricted £000	2022 Total £000	2021 Total £000
Dividends and Interest receivable	148	759	907	998
Rents receivable	-	483	483	498
	148	1,242	1,390	1,496

5. OTHER INCOME

	Endowments £000	Restricted £000	Unrestricted £000	2022 Total £000	2021 Total £000
Gain / (loss) on disposal of properties	-	1,437	-	1,437	160
Gain on disposal of motor vehicles and equipment	-	-	-	-	4
	-	1,437	-	1,437	164

6. ANALYSIS OF CENTRES' OPERATIONS COSTS

	-----2022-----						-----2021-----
	Salaries & Other Staff Costs £000	Catering, Cleaning & Other Services £000	Other Operating Costs £000	Property & Furnishings £000	Support Costs £000	Governance Costs £000	Total £000
Social Services Centres							
Older People	11,639	1,332	613	1,357	2,045	27	17,013
Single Homeless	11,736	758	4,012	2,185	715	30	19,436
Family and Children	3,311	62	329	550	798	8	5,058
Day Care Centres	348	25	98	148	81	1	701
Addictions	1,244	29	67	200	459	3	2,002
Other Non-Residential Programmes	4,011	516	439	402	1,257	14	6,639
	32,289	2,722	5,558	4,842	5,355	83	50,849
Housing Association Centres							
Older People	832	135	50	66	364	2	1,449
Single Homeless	15,198	2,970	1,421	3,218	10,751	51	33,609
Family and Children	842	40	126	177	402	2	1,589
Addictions	-	-	2	-	-	-	2
	16,872	3,145	1,599	3,461	11,517	55	36,649
Social Enterprise	338	178	193	113	163	2	987
Total Costs 2022	49,499	6,045	7,350	8,416	17,035	140	88,485
Total Costs 2021	47,549	6,021	6,581	9,625	16,382	178	86,336

Governance costs include external audit fees, exclusive of VAT, of £112,200 (2021: £148,333).

£3,987,000 (2021: £3,970,000) of centres' operations costs are funded from restricted funds.

Other Non-Residential Programmes expenditure in the above table includes expenditure of £1.37 million (2021: £0.95m) for Strawberry Field and £1.20 million (2021: £0.91m) for Hadleigh Farm.

6. ANALYSIS OF CENTRES' OPERATIONS COSTS (Cont.)

Support Costs consist of,	2022 £	2021 £
Centres' Support Costs	10,911	10,492
Other Support Costs		
Personnel	903	868
Business Administration	3,587	3,450
Communications	570	549
Secretariat	990	952
Mission Service Management	74	71
	<u>17,035</u>	<u>16,382</u>

7. OTHER SOCIAL OPERATIONS

	Endowments £000	Restricted £000	Unrestricted £000	2022 Total £000	2021 Total £000
Employment Plus	-	23	5,511	5,534	3,403
Anti-Human Trafficking	-	1,617	63,936	65,553	48,229
Defence Services Operations	-	-	324	324	260
Family Tracing, Counselling, etc.	-	7	2,241	2,248	2,071
	<u>-</u>	<u>1,647</u>	<u>72,012</u>	<u>73,659</u>	<u>53,963</u>

Employment Plus includes a number of matched funding contracts. As part of these contracts The European Commission funds 50% of the total expenditure and the other 50% is matched by The Salvation Army and charged against the Social Work Trust's reserves.

8. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs £000	Depreciation £000	Other Costs £000	2022 Total £000	2021 Total £000
Raising funds	-	-	50	50	50
Charitable activities	70,475	7,175	109,329	186,979	162,132
	<u>70,475</u>	<u>7,175</u>	<u>109,379</u>	<u>187,029</u>	<u>162,182</u>

9. PERSONNEL

	2022 Parent £000	2021 Parent £000	2022 Subsidiary £000	2021 Subsidiary £000	2022 Total £000	2021 Total £000
Allowances and salaries	44,880	42,303	8,702	8,722	53,582	51,025
Social security costs	3,870	3,617	650	637	4,520	4,254
Pension and similar costs	3,400	3,324	819	810	4,219	4,134
Redundancy costs	56	1	181	51	237	52
	<u>52,206</u>	<u>49,245</u>	<u>10,352</u>	<u>10,220</u>	<u>62,558</u>	<u>59,465</u>

Redundancy Costs

Redundancy costs relating to employees in the Social Work Trust, including saha, amounted to £236,924 (2021: £51,590). These costs are the result of staff restructuring at centres and closure of centres. Redundancy costs are recognised once a decision to make a post redundant has been communicated to an individual or the workforce.

The average number of officer and employees and full time equivalent (FTE) officers and employees was:

	2022 Headcount No.	2022 FTE No.	2021 Headcount No.	2021 FTE No.
Trust				
Number of officers	75	63	86	82
Number of employees	<u>1,847</u>	<u>1,573</u>	<u>2,210</u>	<u>1,619</u>
	1,922	1,636	2,296	1,701
Subsidiary	315	203	330	217
Total	<u>2,237</u>	<u>1,839</u>	<u>2,626</u>	<u>1,918</u>

Higher-Paid Employees

The following indicates the number of the group's employees earning between:

	2022 Parent No.	2022 Subsidiary No.	2022 Total No.	2021 Total No.
£60,001 - £70,000	4	1	5	4
£70,001 - £80,000	2	5	7	8
£80,001 - £90,000	-	-	-	1
£90,001 - £100,000	3	-	3	3
£100,001 - £110,000	-	-	-	1
£110,001 - £120,000	-	1	1	-
£120,001 - £130,000	-	-	-	-
£130,001 - £140,000	-	-	-	-
£140,001 - £150,000	-	-	-	1
£150,001 - £160,000	-	-	-	-
£160,001 - £170,000	-	1	1	-
	<u>9</u>	<u>8</u>	<u>17</u>	<u>18</u>

The directors of The Salvation Army Trustee Company comprise Salvation Army officers and employees and other external directors with specialist expertise. All active Salvation Army officers receive an allowance based on length of service and, as ministers of religion, are provided with furnished accommodation and a motor vehicle. They are also members of the Salvation Army Retired Officers Allowance Fund. The allowances received by the officers serving as directors ranged from £17,684.18 to £24,628.20 per annum and they did not receive any additional remuneration for their duties as directors. No allowances or salaries paid to any of the directors are charged direct to the Social Work Trust.

No trustees' expenses were charged to the Social Work Trust.

The costs of indemnity insurance, to protect The Salvation Army Trustee Company directors against claims for neglect or default, were borne by The Salvation Army Trust.

Certain directors of saha are remunerated. Lieut-Colonel Drew McCombe is a director of both saha and of The Salvation Army Trustee Company. He is remunerated £4,000 which is donated to The Salvation Army Trustee Company.

Key Management Personnel

The key management personnel of the Trust are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly, including the directors of The Salvation Army Trustee Company as the Corporate Trustee of the Trust. The Trustee considers the key management personnel of the Trust to be the executive directors (officers and employees) of the Board. The total aggregate remuneration, including pension contributions, paid to key management personnel during the year was £200,942 (2021: £222,784). As detailed above, no allowances or salaries paid to any of the directors are charged directly to the Social Work Trust.

10. PENSION AND SIMILAR COSTS

The Salvation Army Social Work Trust contributes to three pension or similar schemes in respect of its staff:

- (i) The Salvation Army Retired Officers Allowance Fund relating to Salvation Army officers,
- (ii) The Salvation Army Employees Pension Fund for other staff,
- (iii) A defined contribution scheme set up to offer employees who are not members of the Salvation Army Employees Pension Fund the opportunity to join a pension scheme following the closure of the Employee Pension Scheme to new members with effect from 31 December 2011.

Amounts charged in respect of pension fund contributions for the year are disclosed in Note 9 above.

(a) SALVATION ARMY RETIRED OFFICERS ALLOWANCE FUND

The Salvation Army Retired Officers Allowance Fund was established by The Salvation Army Act 1963 under the legal name, The Salvation Army Officers Pension Fund. It is a registered charity and operates on the same basis as a defined benefit scheme, but the benefits are not guaranteed. It is non-contributory by the officer, but a contribution currently equivalent to £4,870 per officer, per annum (2021: £4,860), is made by The Salvation Army. Officers in both principal Trusts (The Salvation Army Trust and The Salvation Army Social Work Trust) participate in the scheme and it is not possible to allocate the assets and constructive liabilities of the Fund between the Trusts. Therefore, the Fund is accounted for in a similar way as a multi-employer pension fund.

The Salvation Army Retired Officers Allowance Fund was subject to a triennial actuarial review on 31 March 2019, using the Attained Age Method, and this was based on the following principal assumptions:

Post-Retirement Discount Rate	2.7% per annum
Pre-Retirement Discount Rate	3.4% per annum
Rate of Increase in Allowances and Pensions	4.1% per annum
Rate of Inflation	3.6% per annum

The market value of the Fund's assets at the valuation date amounted to £231.6m whereas the value of past service ongoing liabilities amounted to £238.8m revealing a funding shortfall of £7.2m.

A recovery plan was agreed whereby the contribution was increased to an amount equivalent to £4,870 per officer, per annum, from 1 April 2020, and The Salvation Army Trust would make an annual capital contribution to the scheme of £2m over a period of approximately 13 years. In practice, capital contributions in excess of this amount are being paid in order to fund the deficit over a shorter period of time and in 2021/22 the capital contribution paid by The Salvation Army Trust was £4m (2020/21: £4m).

Although the pension benefits are not guaranteed, they do represent a constructive liability as there are expectations that the pensions will be paid. Therefore, a provision is made in the financial statements of The Salvation Army Trust for the total discounted value of the future capital contributions which it has agreed to pay.

(b) SALVATION ARMY EMPLOYEES' PENSION FUND

The Salvation Army Employees' Pension Fund is a funded defined benefit scheme. The contribution rate payable by members is 8% of pensionable salaries and the employer's contribution is 30.2% of pensionable salaries.

The Scheme is a multi-employer scheme incorporating six employers. It closed to new members with effect from 31 December 2011. The actuary has confirmed that it is not practical to allocate the assets and liabilities of the scheme between participating employers and therefore it is accounted for as a multi-employer scheme.

The Scheme is subject to triennial actuarial valuations. The last actuarial valuation was completed, using the Projected Unit Method, at 31 March 2021.

The review was based on the following assumptions: -

Post-retirement discount rate	1.22% per annum
Pre-retirement discount rate	0.72% per annum
Rate of salary increases	3.55% per annum
Rate of pension increase:	
On pensions accrued before 6 April 2006	3.0% per annum
On pensions accrued after 6 April 2006	2.1% per annum
Inflation: RPI	3.05% per annum
CPI	2.3% per annum
Deferred Pension Increases (pre 6 April 2009)	3.12% per annum
Deferred Pension increases (post 6 April 2009)	2.02% per annum

The market value of the Fund's assets on the valuation date was £213.7m and the value of technical provisions amounted to £211.1m giving rise to a funding surplus of £2.5m.

(c) SOCIAL HOUSING PENSION SCHEME (SHPS)

saha participates in SHPS, a multi-employer pension scheme which provides benefits to non-associated participating employers. The scheme is classed as a defined benefit scheme in the UK. The scheme is classified as a 'last man standing' arrangement. Therefore, saha is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

Under the defined benefit pension accounting approach, the SHPS net deficit as at 1 April 2021 is £4,189k and £2,863k as at 31 March 2022.

saha have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET / (LIABILITY)

	2022	2021
	£000	£000
Fair value of plan assets	18,477	17,257
Present value of defined benefit obligation	(21,340)	(21,446)
Surplus/(deficit) in plan	(2,863)	(4,189)
Deferred tax	-	-
Net defined benefit asset/(liability) to be recognised	(2,863)	(4,189)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	2022	2021
	£000	£000
Defined benefit obligation at start of period	21,446	17,614
Expenses	13	13
Interest expense	460	414
Actuarial losses/(gains) due to scheme experience	1,833	(386)
Actuarial (gains)/ losses due to changes in demographic assumptions	(340)	77
Actuarial (gains)/ losses due to changes in financial assumptions	(1,600)	4,139
Benefits paid and expenses	(472)	(425)
Defined benefit obligation	21,340	21,446

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	2022	2021
	£000	£000
Fair value of plan assets at start of period	17,257	15,592
Interest income	374	371
Experience on plan assets (excluding amounts included in interest income) - gain/ (loss)	837	1,247
Contributions by the employer	481	472
Benefits paid and expenses	(472)	(425)
Fair value of plan assets at end of period	18,477	17,257

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2022 was £1,211,000 (2021: £1,618,000).

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF FINANCIAL ACTIVITIES

	2022	2021
	£000	£000
Expenses	13	13
Net interest expense	86	43
Total expense	99	56

DEFINED BENEFIT COSTS RECOGNISED IN OTHER RECOGNISED GAINS AND LOSSES

	2022 £000	2021 £000
Experience on plan assets (excluding amounts included in net interest cost) - gain/ (loss)	837	1,247
Experience gains and (losses) arising on the plan liabilities	(1,833)	386
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain/(loss)	340	(77)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain/(loss)	1,600	(4,139)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain/(loss)	944	(2,583)
Total amount recognised in other recognised gains/(losses)	944	(2,583)

ASSETS

	2022 £000	2021 £000
Global Equity	3,546	2,750
Absolute Return	741	952
Distressed Opportunities	661	498
Credit Relative Value	614	543
Alternative Risk Premia	609	650
Fund of Hedge Funds	-	2
Emerging Markets Debt	538	697
Risk Sharing	608	628
Insurance-Linked Securities	431	414
Property	499	358
Infrastructure	1,316	1,151
Private Debt	474	412
Opportunistic Liquid Credit	621	439
High Yield	159	517
Opportunistic Credit	66	473
Cash	63	-
Corporate Bond Fund	1,233	1,020
Liquid Credit	-	206
Long Lease Property	475	338
Secured Income	688	718
Liability Driven Investment	5,156	4,386
Currency Hedging	(72)	-
Net Current Assets	51	105
Total assets	18,477	17,257

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

KEY ASSUMPTIONS

	2022 % per annum	2021 % per annum
Discount Rate	2.79%	2.17%
Inflation (RPI)	3.59%	3.28%
Inflation (CPI)	3.20%	12.86%
Salary Growth	4.20%	3.86%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

EMPLOYER PENSION CONTRIBUTIONS

	2022 £000	2021 £000
Defined benefit employer contributions including deficit contributions	481	473
Growth Plan deficit contributions	30	29
Auto-enrolment & SHPS Defined contribution including deficit contribution	308	308
	819	810

The defined benefit pension costs for Salvation Army Housing Association was £481,349 (2021: £472,175). The pension cost is assessed in accordance with the advice of a qualified actuary using the Projected Unit Fund Method and is not materially different from that arising from the current employer's contribution rate.

(d) THE GROWTH PLAN

saha participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for saha to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, saha is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025: £3,312,000 per annum - payable monthly

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies. Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025: £11,243,000 per annum - (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the group has agreed to a deficit funding arrangement the group recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUE OF PROVISION

	2022 £000	2021 £000	2020 £000
Present value of provision	28	120	142

RECONCILIATION OF OPENING AND CLOSING CREDITOR

	2022 £000	2021 £000
Provision at start of period	120	142
Unwinding of the discount factor (interest expense)	1	3
Deficit contribution paid	(31)	(29)
Remeasurements - impact of any change in assumptions	(1)	4
Remeasurements - amendments to the contribution schedule	(61)	-
Provision at end of period	28	120

INCOME AND EXPENDITURE IMPACT

	2022 £000	2021 £000
Interest expense	1	3
Remeasurements - impact of any change in assumptions	(1)	(4)
Remeasurements - amendments to the contribution schedule	(61)	-

ASSUMPTIONS

	2022 % per annum	2021 % per annum	2020 % per annum
Rate of discount	2.35	0.66	2.53

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the group and the scheme at each year end period:

	2022 £000	2021 £000	2020 £000
Year 1	10	30	29
Year 2	10	31	30
Year 3	9	32	31
Year 4	-	28	32
Year 5	-	-	28
Year 6	-	-	-
Year 7	-	-	-
Year 8	-	-	-
Year 9	-	-	-
Year 10	-	-	-

The group must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the group's balance sheet liability.

saha also allows the employees to pay additional voluntary contributions (AVCs) into their pension scheme. The amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the financial year. The contributions due in the year were £nil (2021: £nil).

AUTO-ENROLMENT

As a result of the introduction of pensions “auto-enrolment” by the Government, the cost of the new defined contribution scheme administered by SHPS was £288,259 (2021: £288,644) covering 298 employees (2021: 302 employees).

11. SALVATION ARMY HOUSING ASSOCIATION TURNOVER AND OPERATING COSTS

By virtue of saha's governing instrument, The Salvation Army Social Work Trust has effective control of saha.

The net assets of saha and its subsidiaries have been consolidated within these accounts. The net assets of the saha Group were, on acquisition, adjusted to fair values.

For the purpose of establishing fair values, saha's property portfolio was valued by an independent chartered surveyor on an existing use social housing (EUV - SH) basis.

saha's results, adjusted to reflect The Salvation Army Social Work Trust's accounting policies, were as follows.

	2022		2021	
	£000	£000	£000	£000
Turnover		24,579		24,714
Grants Received		-		-
		<u>24,579</u>		<u>24,714</u>
Operating Costs				
Staff Costs	(8,863)		(8,757)	
Other Costs*	<u>(9,728)</u>	(18,591)	<u>(9,271)</u>	(18,028)
Interest Payable		(865)		(1,037)
Property Depreciation		(5,330)		(2,756)
Tax		(49)		(12)
Gain/ (Loss) on Disposal of Assets (Note 5)		659		(539)
Gain/ (Loss) on revaluation of investment properties (Note 15)		2,950		(950)
Interest Receivable (Note 4)		1		7
Social Housing Pension Scheme (SHPS) Remeasurement of Obligation		-		-
Actuarial Gain / (Loss)		944		(2,583)
		<u>4,298</u>		<u>(1,184)</u>

*Other Costs includes temporary agency staff costs of £1,489,803 (2021: £1,462,151)

12. PROPERTIES

GROUP	Freehold £000	Leasehold £000	Total £000
Cost or Valuation			
Balance at 1 April 2021	207,716	50,811	258,527
Additions during the year	2,610	2,245	4,855
Schemes completed during the year (Note 13)	487	-	487
	<u>210,813</u>	<u>53,056</u>	<u>263,869</u>
Less: Disposals	(3,512)	(747)	(4,259)
Balance at 31 March 2022	<u>207,301</u>	<u>52,309</u>	<u>259,610</u>
Accumulated Depreciation			
Balance at 1 April 2021	49,004	14,046	63,050
Charge for the year	4,780	2,309	7,089
Less: Disposals	(1,146)	(443)	(1,589)
Balance at 31 March 2022	<u>52,638</u>	<u>15,912</u>	<u>68,550</u>
Net Book Value at 31 March 2022	<u>154,663</u>	<u>36,397</u>	<u>191,060</u>
Net Book Value at 31 March 2021	<u>158,712</u>	<u>36,765</u>	<u>195,477</u>

Both saha's portfolio (on 19 January 2011) and, saha's acquisition, Chapter 1's portfolio (on 23 March 2017) were brought into account at valuation, performed by independent chartered surveyors on an existing use social housing (EUV-SH) basis. All other properties are reflected at cost.

PARENT	Freehold £000	Leasehold £000	Total £000
Cost			
Balance at 1 April 2021	109,267	693	109,960
Additions during the year	-	-	-
Schemes completed during the year	487	-	487
	<u>109,754</u>	<u>693</u>	<u>110,447</u>
Less: Disposals	(1,535)	(125)	(1,660)
Balance at 31 March 2022	<u>108,219</u>	<u>568</u>	<u>108,787</u>
Accumulated Depreciation			
Balance at 1 April 2021	33,423	115	33,538
Charge for the year	1,764	14	1,778
Less: Disposals	(281)	(11)	(292)
Balance at 31 March 2022	<u>34,906</u>	<u>118</u>	<u>35,024</u>
Net Book Value at 31 March 2022	<u>73,313</u>	<u>450</u>	<u>73,763</u>
Net Book Value at 31 March 2021	<u>75,844</u>	<u>578</u>	<u>76,422</u>

All properties are used for charitable purposes. The market values of these properties are significantly higher than their book values but the costs of estimating these exceed any benefits accruing.

Group properties and schemes in progress have attracted capital funding from Homes England of £150.521m (£17.174 million by the parent charity). Should these properties be sold, this amount will be repayable to Homes England (the amounts repayable being limited by the proceeds of sale) unless Homes England consent to this funding being recycled to other schemes.

The Salvation Army, in common with other churches, provides ministers of religion (officers) and retired ministers of religion with accommodation and holds a portfolio of properties to allow it to do so. Occasionally properties are not required immediately to provide accommodation to officers and retired officers and these, where possible, are let on short-term tenancies until required to accommodate officers. The Salvation Army does not consider these properties to

be investment properties as their availability for use, other than for the work of the charity, is typically of limited duration.

13. PROPERTY SCHEMES IN PROGRESS

	Group		Parent	
	2022 £000	2021 £000	2022 £000	2021 £000
Balance at 1 April 2021	4,671	2,457	4,370	2,159
Additions during the year	1,833	2,543	1,833	2,540
	<u>6,504</u>	<u>5,000</u>	<u>6,203</u>	<u>4,699</u>
Property schemes capitalised during the year	(487)	(234)	(487)	(234)
Scheme's revenue expenditure	(417)	(95)	(193)	(95)
Balance at 31 March 2022	<u><u>5,600</u></u>	<u><u>4,671</u></u>	<u><u>5,523</u></u>	<u><u>4,370</u></u>

14. MOTOR VEHICLES AND EQUIPMENT

GROUP	Motor Vehicles £000	Equipment £000	Total £000
Cost			
Balance at 1 April 2021	1,348	1,654	3,002
Additions during the year	62	191	253
Disposals	-	(21)	(21)
Balance at 31 March 2022	<u>1,410</u>	<u>1,824</u>	<u>3,234</u>
Accumulated Depreciation			
Balance at 1 April 2021	1,144	1,619	2,763
Charge for the year	67	19	86
Disposals	-	(21)	(21)
Balance at 31 March 2022	<u>1,211</u>	<u>1,617</u>	<u>2,828</u>
Net Book Value at 31 March 2022	<u>199</u>	<u>207</u>	<u>406</u>
Net Book Value at 31 March 2021	<u>204</u>	<u>35</u>	<u>239</u>
PARENT			
Cost			
Balance at 1 April 2021	1,306	-	1,306
Additions during the year	61	-	61
Disposals	-	-	-
Balance at 31 March 2022	<u>1,367</u>	<u>-</u>	<u>1,367</u>
Accumulated Depreciation			
Balance at 1 April 2021	1,101	-	1,101
Charge for the year	67	-	67
Disposals	-	-	-
Balance at 31 March 2022	<u>1,168</u>	<u>-</u>	<u>1,168</u>
Net Book Value at 31 March 2022	<u>199</u>	<u>-</u>	<u>199</u>
Net Book Value at 31 March 2021	<u>205</u>	<u>-</u>	<u>205</u>

15. INVESTMENTS

FIXED ASSET INVESTMENTS

GROUP AND PARENT

	Unlisted £000	Units in CIF 1 £000	Units in CIF 2 £000	Total £000
Cost/Market Value at 1 April 2021	5	3,505	120,404	123,914
Additions	-	-	-	-
Unrealised Gains/(Losses) on investments	-	237	7,260	7,497
Cost/Market Value at 31 March 2022	5	3,742	127,664	131,411

At 31 March 2022, units held in The Salvation Army Common Investment Fund No 1 had a unit value of £2.7720 (2021: £2.5966).

At 31 March 2022, units held in The Salvation Army Common Investment Fund No 2 had a unit value of £4.1406 (2021: £3.5374).

Salvation Army Social Work Trust holds one £1 share and has the power to control Salvation Army Housing Association (saha). The Salvation Army Housing Association is registered with the Co-operative and Community Benefit Societies Act 2014 and is a registered social landlord regulated by The Regulator of Social Housing. saha itself owns the whole of the issued share capital of Kingsown Limited and saha Developments Limited, companies incorporated in England. The results and net assets of saha, Kingsown and saha Developments have been consolidated within these accounts.

INVESTMENT PROPERTIES

	Group	
	2022 £000	2021 £000
Balance at 1 April 2021	29,050	30,000
Additions during the year	-	-
Property revaluation adjustment - increase/decrease in value	2,950	(950)
Investment property valuation at year end	<u>32,000</u>	<u>29,050</u>
Fixed Assets Investments (from above)	<u>131,411</u>	<u>123,915</u>
Total Investments	<u>163,411</u>	<u>152,965</u>

This property at Waterloo, London is used for student accommodation. The revaluation undertaken by Savills, professional external valuers, at 31 March 2022 has resulted in an increase in the property valuation.

16. DEBTORS AND PREPAYMENTS

	GROUP		PARENT	
	2022 £000	2021 £000	2022 £000	2021 £000
Accommodation charges outstanding	1,526	916	893	636
Sundry debtors and accrued income	13,937	11,457	12,945	10,273
Connected Salvation Army Trusts and Companies	7,929	-	7,929	-
	<u>23,392</u>	<u>12,373</u>	<u>21,767</u>	<u>10,909</u>

17. (a) CREDITORS: Amounts falling due within one year

	GROUP		PARENT	
	2022 £000	2021 £000	2022 £000	2021 £000
Trade creditors and accruals	13,494	15,435	10,412	12,485
Deferred Income	3,384	2,651	273	256
Tax and Social Security	3,245	4,784	3,245	4,784
Connected Salvation Army Trusts and Companies	-	7,718	-	7,718
Bank Loans repayable within one year (Note 17(b))	2,507	1,565	-	-
	<u>22,630</u>	<u>32,153</u>	<u>13,930</u>	<u>25,243</u>

17. (b) CREDITORS: Amounts falling due after more than one year

	GROUP		PARENT	
	2022 £000	2021 £000	2022 £000	2021 £000
Multi-Employer Pension Scheme (note 10(d))	28	120	-	-
Recycled Social Housing Grant	1,148	633	-	-
Loans repayable between 1 & 2 years	2,581	1,528	-	-
Loans repayable between 3 to 5 years	3,823	10,939	-	-
Loans repayable over five years	13,396	15,204	-	-
	<u>20,976</u>	<u>28,424</u>	<u>-</u>	<u>-</u>

Housing loans from private sources are secured by charges on specific housing properties and are repayable between 2022 and 2044 at varying rates of interest between 0.89% and 11.50%.

18. OPERATING LEASES

	GROUP		PARENT	
	2022 £000	2021 £000	2022 £000	2021 £000
The Group has future minimum lease commitments of:				
Land and Buildings				
Within one year	260	235	-	-
One to five years	654	137	-	-
Over five years	142	50	-	-
	<u>1,056</u>	<u>422</u>	<u>-</u>	<u>-</u>

	GROUP		PARENT	
	2022 £000	2021 £000	2022 £000	2021 £000
Other operating leases				
Within one year	193	195	-	-
One to five years	591	604	-	-
Over five years	11	145	-	-
	<u>795</u>	<u>944</u>	<u>-</u>	<u>-</u>

19. ENDOWMENTS

GROUP AND PARENT	Balance 1 April 2021 £000	New Funds Received £000	Changes in Market Value of Investments £000	Transfers £000	Balance 31 March 2022 £000
Expendable Endowment					
Xenia Field Capital Fund	14,116	-	851	-	14,967
Permanent Endowments					
H.M. Brant	20	-	-	-	20
J.B. Crighton	121	-	9	-	130
Miss M.B. Hill	35	-	-	-	35
C.J. and E.J. Melbourne	79	-	-	-	79
Blackmore Mission	1	-	-	-	1
M.J. Fowler	16	-	-	-	16
R. Pattison	14	-	-	-	14
Leeds Guardian Homes Trust	14	-	-	-	14
E.S. Brant Trust	1,234	-	83	-	1,317
Birmingham Girls Trust	188	-	13	-	201
	1,722	-	105	-	1,827
	15,838	-	956	-	16,794

The Expendable Endowment represents the Xenia Field Fund. Whilst the capital and income of the Fund can be expended on social work projects, it is the Trustee's intention that the capital be maintained.

Permanent Endowment funds represent bequests and donations, the capital of which cannot be expended but any income can be applied to social work projects without restriction.

The E.S. Brant Trust was established by a trust deed dated 16 June 1965. The annual income can be applied to the social work of The Salvation Army.

The Birmingham Girls Trust consists of endowment funds transferred from Birmingham City Council, the income on which can be applied for the benefit of girls in distress in the Birmingham area.

All endowment funds are represented by investments in The Salvation Army's Common Investment Funds.

31 March 2021

GROUP AND PARENT	Balance 1 April 2020 £000	New Funds Received £000	Changes in Market Value of Investments £000	Transfers £000	Balance 31 March 2021 £000
Expendable Endowment					
Xenia Field Capital Fund	11,275	-	2,841	-	14,116
Permanent Endowments					
H.M. Brant	20	-	-	-	20
J.B. Crighton	96	-	25	-	121
Miss M.B. Hill	35	-	-	-	35
C.J. and E.J. Melbourne	79	-	-	-	79
Blackmore Mission	1	-	-	-	1
M.J. Fowler	16	-	-	-	16
R. Pattison	14	-	-	-	14
Leeds Guardian Homes Trust	14	-	-	-	14
E.S. Brant Trust	1,009	-	225	-	1,234
Birmingham Girls Trust	154	-	34	-	188
	1,438	-	284	-	1,722
	12,713	-	3,125	-	15,838

20. RESTRICTED FUNDS

GROUP

	Balance 1 April 2021 (restated) £000	Income and Movement in Market Value of Investments £000	Expenditure and Actuarial Movement on Defined Benefit Pension Scheme £000	Transfers From/(to) Unrestricted Reserves £000	Transfers between Restricted Funds £000	Balance 31 March 2022 £000
Social Work Fund	76,422	778	(1,778)	2,756	4,365	82,543
Other Restricted Funds						
Social Work projects including property funding	36,328	8,745	(3,856)	998	(4,365)	37,850
saha operations - property purposes	123,770	28,189	(23,892)	-	-	128,067
	160,098	36,934	(27,748)	998	(4,365)	165,917
	236,520	37,712	(29,526)	3,754	-	248,460

Social Work Fund represents sums already expended on the properties used by The Salvation Army in its social work throughout the United Kingdom and, with effect from 1 April 2021 includes work in progress and unspent allocated funds.

Other Restricted Funds represents unexpended balances of donations and legacies held on trusts which can only be expended in accordance with the specific terms laid down by the donors.

All saha funds are treated as restricted in the group's accounts.

Transfers between funds arise from property transactions, because all funds expended on property assets are reflected as restricted funds, net of funding of homeless and older people's services centres from legacy funds. Transfers between restricted funds included £4,365k in respect of property funding previously included as part of Social Work Projects but now included within Social Work Funds.

PARENT

	Balance 1 April 2021 (restated) £000	Income and Movement In Market Value of Investments £000	Expenditure £000	Transfers From/(to) Unrestricted Reserves £000	Transfers between Restricted Funds £000	Balance 31 March 2022 £000
Social Work Fund						
Funding of properties for charitable purposes	76,422	778	(1,778)	2,756	4,365	82,543
Other Restricted Funds						
Social Work projects including property funding	36,328	8,745	(3,856)	998	(4,365)	37,850
	112,750	9,523	(5,634)	3,754	-	120,393

31 March 2021

GROUP

	Balance 1 April 2020 (restated) £000	Income and Movement in Market Value of Investments (restated) £000	Expenditure and Actuarial Movement on Defined Benefit Pension Scheme £000	Transfers From/(to) Unrestricted Reserves (restated) £000	Transfers between Restricted Funds £000	Balance 31 March 2021 (restated) £000
Social Work Fund	75,624	42	(2,614)	3,370	-	76,422
Other Restricted Funds						
Social Work projects including property funding	32,949	12,961	(2,593)	(6,989)	-	36,328
saha operations - property purposes	124,954	23,232	(24,416)	-	-	123,770
	157,903	36,193	(27,009)	(6,989)	-	160,098
	233,527	36,235	(29,623)	(3,619)	-	236,520

31 March 2021

PARENT

	Balance 1 April 2020 (restated) £000	Income and Movement In Market Value of Investments (restated) £000	Expenditure £000	Transfers From/(to) Unrestricted Reserves (restated) £000	Transfers between Restricted Funds £000	Balance 31 March 2021 (restated) £000
Social Work Fund						
Funding of properties for charitable purposes	75,624	42	(2,614)	3,370	-	76,422
Other Restricted Funds						
Social Work projects including property funding	32,949	12,961	(2,593)	(6,989)	-	36,328
	108,573	13,003	(5,207)	(3,619)	-	112,750

21. UNRESTRICTED FUNDS

GROUP AND PARENT

	Balance 1 April 2021 (restated) £000	Income and Movement in Market Value of Investments £000	Expenditure £000	Transfers From/(to) Restricted Reserves £000	Transfers between Unrestricted Funds £000	Balance 31 March 2022 £000
General Reserves	12,864	166,530	(156,527)	(3,499)	(4,000)	15,368
Unrealised Investment Gains	64,816	6,422	-	-	-	71,238
	77,680	172,952	(156,527)	(3,499)	(4,000)	86,606
Designated Reserves						
Property Purposes	15,087	172	(32)	(255)	4,000	18,972
Vehicles	1,472	16	-	-	-	1,488
Social Work projects	3,067	-	-	-	-	3,067
	19,626	188	(32)	(255)	4,000	23,527
	97,306	173,140	(156,559)	(3,754)	-	110,133

The General Reserve is required to fund the day-to-day needs of The Salvation Army Social Work Trust.

Unrestricted Funds include designated reserves which have been set aside by the Trustee for specific purposes.

31 March 2021

GROUP AND PARENT

	Balance 1 April 2020 (restated) £000	Income and Movement in Market Value of Investments (restated) £000	Expenditure £000	Transfers From/(to) Restricted Reserves (restated) £000	Transfers between Unrestricted Funds £000	Balance 31 March 2021 (restated) £000
General Reserves	8,197	135,692	(135,011)	3,986	-	12,864
Unrealised Investment Gains	44,087	20,729	-	-	-	64,816
	52,284	156,421	(135,011)	3,986	-	77,680
Designated Reserves						
Property Purposes	14,608	846	-	(367)	-	15,087
Vehicles	1,468	4	-	-	-	1,472
Social Work projects	3,198	-	(131)	-	-	3,067
	19,274	850	(131)	(367)	-	19,626
	71,558	157,271	(135,142)	3,619	-	97,306

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP	Endowment Funds £000	Social Work Fund £000	Other Restricted Funds £000	Un- restricted Reserves £000	Total £000
Fixed Assets					
Properties	-	73,763	117,297	-	191,060
Property schemes in progress	-	5,523	77	-	5,600
Motor vehicles and equipment	-	-	207	199	406
Investments	16,794	-	32,000	114,617	163,411
Current Assets less Liabilities	-	3,257	16,336	(4,683)	14,910
Total Net Assets	16,794	82,543	165,917	110,133	375,387

PARENT	Endowment Funds £000	Social Work Fund £000	Other Restricted Funds £000	Un- restricted Reserves £000	Total £000
Fixed Assets					
Properties	-	73,763	-	-	73,763
Property schemes in progress	-	5,523	-	-	5,523
Motor vehicles and equipment	-	-	-	199	199
Investments	16,794	-	-	114,617	131,411
Net Current Assets	-	3,257	37,850	(4,683)	36,424
Total Net Assets	16,794	82,543	37,850	110,133	247,320

31 March 2021

GROUP	Endowment Funds £000	Social Work Fund £000	Other Restricted Funds (restated) £000	Un- restricted Reserves (restated) £000	Total £000
Fixed Assets					
Properties	-	76,422	119,055	-	195,477
Property schemes in progress	-	-	4,671	-	4,671
Motor vehicles and equipment	-	-	34	205	239
Investments	15,838	-	29,051	108,076	152,965
Current Assets less Liabilities	-	-	7,287	(10,975)	(3,688)
Total Net Assets	15,838	76,422	160,098	97,306	349,664

PARENT	Endowment Funds £000	Social Work Fund £000	Other Restricted Funds (restated) £000	Un- restricted Reserves (restated) £000	Total £000
Fixed Assets					
Properties	-	76,422	-	-	76,422
Property schemes in progress	-	-	4,370	-	4,370
Motor vehicles and equipment	-	-	-	205	205
Investments	15,838	-	-	108,076	123,914
Net Current Assets	-	-	31,958	(10,975)	20,983
Total Net Assets	15,838	76,422	36,328	97,306	225,894

23. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES

	2022 £000	2021 £000
Net income / (expenditure)	25,723	31,866
Unrealised loss/ (gain) on investments	(10,446)	(23,926)
Realised (gain) on disposal of properties	(1,437)	(160)
Depreciation of motor vehicles and equipment	86	239
Depreciation of properties	7,089	4,720
Investment and rental income	(1,390)	(1,496)
(Profit) on sale of motor vehicles	-	(4)
Increase in stocks	(44)	(25)
(Increase)/Decrease in debtors	(11,019)	3,161
Schemes in progress written off	417	95
Increase/(Decrease) in creditors	(10,042)	(1,999)
Increase/(Decrease) in Defined Benefit pension scheme liability	(1,326)	2,167
Interest payable	865	1,037
Net inflow/(outflow) from operating activities	<u>(1,524)</u>	<u>15,675</u>

24. CAPITAL COMMITMENTS

At the balance sheet date, commitments made by The Salvation Army Social Work Trust Group in relation to the construction or refurbishment of property amounted to £nil (2021: £58k).

25. RELATED PARTY TRANSACTIONS

During the current year grants totalling £23.5m (2021: £16.0m) were received from The Salvation Army Trust. An overhead recharge of £10.8m (2021: £10.0m) was charged from The Salvation Army Trust during the year, representing the Social Work Trust's share of central overhead costs which were incurred by The Salvation Army Trust. In addition, recharges of £68k (2021: £66k) were charged to The Salvation Army Social Work Trust for hire of rooms at corps premises.

26. PRIOR YEAR ADJUSTMENT

A detailed review during the year of the Trust's restricted and designated reserves identified three designated funds, with an aggregate balance of £7.446m as at 31 March 2021, which were incorrectly classified as restricted funds in the previous financial statements. This error has been corrected in the current year by a prior year adjustment as below. The impact of the adjustment is an equal and opposite adjustment to the opening reserves position between restricted and unrestricted funds. There is no change to the result for the year ended 31 March 2021.

Summary of brought forward reserves at 1 April 2021 on Balance Sheet:

	As originally stated £000	Adjustments £000	As restated £000
RESERVES			
Restricted Funds			
Social Work Projects including property	43,774	(7,446)	36,328
Unrestricted Funds			
Property Purposes	9,288	5,799	15,087
Social Work Projects including property	1,420	1,647	3,067
		-	

Summary of consolidated SOFA adjustments for the year ended 31 March 2021 on comparative SOFA:

	As originally stated £000	Adjustments £000	As restated £000
Restricted Funds			
Investments	242	(189)	53
Unrestricted Funds			
Investments	1,254	189	1,443
		-	

Restatement of brought forward reserves at 1 April 2020 on comparative SOFA:

	As originally stated £000	Adjustments £000	As restated £000
RESERVES			
Restricted Funds	240,151	(6,624)	233,527
Unrestricted Funds	64,934	6,624	71,558
		-	

27. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY FOR THE YEAR ENDED 31 MARCH 2021

	Endowments £000	Restricted (restated) £000	Unrestricted (restated) £000	2021 Total £000
INCOME AND ENDOWMENTS FROM:				
Donations and Legacies				
Grants receivable: TSA Trust	-	-	16,000	16,000
Donations	-	2,923	1,222	4,145
Legacies	-	1,098	70	1,168
	-	4,021	17,292	21,313
Charitable Activities				
Centres' operations	-	6,510	66,818	73,328
Other social operations	-	2,107	49,584	51,691
Housing Association turnover	-	24,714	-	24,714
	-	33,331	116,402	149,733
Investments (as restated)	-	53	1,443	1,496
Other	-	-	-	-
Gains on disposal of fixed assets	-	(539)	703	164
TOTAL INCOME (as restated)	-	36,866	135,840	172,706
EXPENDITURE ON:				
Raising Funds				
Investment management costs	-	-	50	50
	-	-	50	50
Charitable Activities				
Centres' operations	-	3,970	82,366	86,336
Other social operations	-	1,237	52,726	53,963
Housing Association operating costs	-	21,833	-	21,833
	-	27,040	135,142	162,182
TOTAL EXPENDITURE	-	27,040	135,142	162,182
Net Gains on Investments	3,125	(631)	21,431	23,925
NET EXPENDITURE (as restated)	3,125	9,195	22,129	34,449
Transfers between Funds (as restated)	-	(3,619)	3,619	-
Actuarial Gains / (Losses) on Defined Benefit Pension Schemes	-	(2,583)	-	(2,583)
NET MOVEMENT IN FUNDS (as restated)	3,125	2,993	25,748	31,866
RECONCILIATION OF FUNDS:				
Total Funds brought forward (as restated)	12,713	233,527	71,558	317,798
TOTAL FUNDS CARRIED FORWARD (as restated)	15,838	236,520	97,306	349,664

28. POST BALANCE SHEET EVENT

During February 2022 Russian forces invaded Ukraine causing a humanitarian and political crisis which had a global economic impact, giving rise to significant falls in the UK and global stock markets. The trust's investment portfolio saw material unrealised losses after the year-end, reflecting the volatility of the global markets. The main portfolio value fell from £131.4m at 31 March 2022 to £119.9m at 30 September 2022, representing a 9% fall in market value. The investment portfolio is being managed as part of a long-term investment strategy and its performance is regularly being monitored. At the time of this report, we do not expect the Russian - Ukraine conflict to materially affect our planned activity.

The uncertainty, and the associated sanctions against Russia and Russian individuals, has led to volatility in investment markets. How those events might develop, the scale of those developments and the wider impacts are hard to predict, though a period of heightened uncertainty seems inevitable. The amount of exposure to Russia is regarded as immaterial to The Salvation Army Retired Officers Allowance Fund and The Salvation Army Employees' Pension Fund. The Trustees of the pension schemes have not identified any material risks to the funds or employer covenant because of Russian Sanctions although the Trustees will continue to closely monitor the situation.

The mini-budget unveiled by the British Government in September 2022 has had a material impact on asset holdings of the pension schemes. When comparing the value of assets as at the last audited accounts (31st March 2022) the investments under management totalled £213.7m. The latest fund value, as at 14 October 2022, saw the investments under management reduce to £181.2m. It is expected that the liabilities will reduce over the period, due to bond yield prices moving, although at the time of these accounts being prepared the known number to indicate this change and whether the funding position on the technical provisions places the pension scheme in a surplus is unknown (although this is expected) but will be continued to be monitored and reviewed regularly.

THE SALVATION ARMY SOCIAL WORK TRUST

England & Wales - Charity number 215174

Accounts



**The Salvation Army United Kingdom and Ireland Territory
The Salvation Army Social Work Trust
Report and Financial Statements for the United
Kingdom in the year ended 31 March 2021**

Charity Registration No: 215174 Scottish Charity Registration No: SC037691

Principal Office

Territorial Headquarters: 101 Newington Causeway, London SE1 6BN

www.salvationarmy.org.uk

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INTRODUCTION FROM THE TERRITORIAL COMMANDER



Commissioner Anthony Cotterill

Right from its earliest days as a Christian church with a social mission, The Salvation Army has been in the front line against the greatest evils that affect our society, including poverty, unemployment, homelessness and drugs. **Never has that been truer than in the past year, when the lives and livelihoods of so many people were devastated by the coronavirus.**

In so many ways, we were tested to the limit, but with God's help we rose to the challenge, working harder and more effectively than ever before. That we were able to do so is down to the energy and commitment of our officers, staff and volunteers across the Territory. But it is also due to the unique way The Salvation Army works.

Our local churches and centres were flexible and agile enough to respond to the needs of their own communities. At the same time, our specialist services - Lifehouses, employment services, debt advice services and many more - offered highly effective solutions to complex problems, delivered by skilled, professional staff. This report focuses mainly on these specialist services and the vital contribution they made to people's lives.

At a time when so many business and public services were shutting down because of the pandemic and lockdowns, we were determined that this wouldn't happen to our social services, precisely when they were needed more than ever. And yet we were not just satisfied to 'keep calm and carry on'. We seized the opportunities to do more for people who were homeless, jobless and isolated by the lockdown, transforming and modernising our services where necessary.

We innovated and expanded our services in very many ways. To give just a few examples: there were new initiatives to help bring homeless people in off the streets; more services to support victims of modern slavery; and much-needed new programmes to protect the mental health of vulnerable young people. We were also a persistent and forceful advocate for the needs of vulnerable people in our discussions with the Government.

In the messages I write for our annual reports, I always like to give my thanks to all the people who make our work possible - our devoted officers, staff members and volunteers; and everyone who supports our work. This year I do so with particular warmth. Faced with an emergency like no other, everyone in the Salvation Army 'family' gave their time and effort unsparingly to serve others. I would also like to give special thanks to our donors and partners for their wonderful support at such a difficult time.

Last year we saw The Salvation Army at its very best. Thank you and God bless you for helping us rise to the challenge.

Commissioner Anthony Cotterill

Territorial Commander of The Salvation Army in the United Kingdom and Ireland

OUR VISION, MISSION & VALUES

Our Vision and Mission statements were explored and restated during 2020/2021 to reaffirm our sense of purpose and direction for the territory.

Vision statement:

Our Vision:
Fullness of life
for *all* with Jesus

Mission statement:

Our Mission:
To *share* the good news
To *serve* others without discrimination
To *nurture* disciples of Jesus
To *care* for creation
To *seek* justice and reconciliation

Our values:

Boldness - We will courageously and confidently share the good news, seek justice and reconciliation, nurture disciples of Jesus, serve others without discrimination, care for creation.

Compassion - We will serve with the unconditional love and grace of God as the pattern for our behaviour.

Passion - We will bring our best selves, our God given energies and convictions to our work, service and learning, whether as officers, members, employees or volunteers.

Respect - We will receive each person with the dignity of those created in the image of God, while seeking the transformation God.

Integrity - We will be honest and transparent in all our dealings with each other and those we serve, being open about our motives and agendas.

Mutual accountability - We will willingly and freely give full account for our actions to those we interact with and expect the same in return.

THE OBJECTIVES OF THE SALVATION ARMY SOCIAL WORK TRUST

Promoting the charitable work of The Salvation Army in such one or more of the following ways as The Salvation Army Trustee Company shall think fit, namely:

- the relief of poverty, sickness, suffering, distress, incapacity or old age
- the advancement of education
- training in Christian and moral principles
- the assistance of those in need of protection

OUR ORGANISATION

The Salvation Army was founded in 1865 by William and Catherine Booth and currently operates in more than 130 countries. The world leadership of The Salvation Army is provided by The General of The Salvation Army.

The General is assisted by officers and staff based at International Headquarters in London. The current General is Brian Peddle who was elected into office in August 2018.

The United Kingdom and Ireland Territory is under the command of a Territorial Commander, appointed by the General and responsible to him/her for the day-to-day administration of Salvation Army work throughout the British Isles, including the Channel Islands, the Isle of Man and the Republic of Ireland. Commissioners Anthony and Gillian Cotterill are the leaders of The Salvation Army in the UK and Republic of Ireland.

The Salvation Army in the UK is an integrated, yet diverse, organisation that contributes to the betterment of society in the service of God and people. Legally, we are structured under two main trusts. These are:

- The Salvation Army Trust
- The Salvation Army Social Work Trust

Therefore, we publish two separate reports and accounts. This document is the Annual Report and Accounts for The Salvation Army Social Work Trust. Together both trusts reflect the life and work of The Salvation Army as a whole and exist to enable effective management and accountability for the two main ways in which we work.

Further information on our legal structures and our governance is included later in this Report.

EXPLAINING OUR STRATEGY, STRUCTURE AND OPERATION

The Salvation Army Social Work Trust is the charity registration through which we operate our centrally coordinated (i.e. not church or community centre based) programmes of support for people experiencing homelessness, older people in our care homes, our addictions services and our delivery of support for the victims of modern slavery and human trafficking, and other specialised forms of support.

The Salvation Army Trust, whose report and accounts form a 'sister' publication to this outline the church life of The Salvation Army and the community-based programmes of engagement and support that are delivered through our corps (churches) and community centres.

Summary of what The Salvation Army Social Work Trust does

- We provide single people and families who are experiencing homelessness and people suffering from addictions with high-quality residential accommodation, care and support, encouraging their ability to live independent and positive lives.
- We provide vulnerable older people, particularly those with limited resources, with residential care which recognises individuality and the spiritual dimension to life.
- We provide unemployed people, including those in our residential homelessness centres, with back-to-work schemes through Employment Plus.
- We provide survivors and potential victims of modern slavery specialist support which includes transport, a safe place to stay and outreach support as well as community integration as they continue their journey of recovery and rebuilding their lives.
- We unite families who have lost contact and help to bring about happy reunions
- We support the emergency services at major incidents, providing refreshments for staff and help to victims.
- We work in partnership with local authorities and other agencies where relevant to provide the best outcomes for our service users.
- We speak with national and local government to influence policy on issues affecting our service users.
- We strive to achieve our vision of 'fullness of life for all with Jesus' in everything we do through five mission priorities: share the good news, serve others without discrimination, nurture disciples of Jesus, care for creation, seek justice and reconciliation. Operationally, we are prioritising transformation, integration and streamlining to increase our effectiveness and impact.

The scale of the work of The Salvation Army Social Work Trust in the UK

12 Care Homes for Older People

Belfast: The Sir Samuel Kelly Memorial Home (accommodation (hereon acc) 39)
Buxton: The Hawthorns (acc 34)
Coventry: Youell Court (acc 40)
Edinburgh: Davidson House (acc 40), Eagle Lodge (acc 33)
Glasgow: Eva Burrows Day Centre (places 24)
Hassocks: Villa Adastra (acc 40, plus 5-day care)
London: Glebe Court, Lewisham (acc 40)
North Walsham: Furze Hill House (acc 40)
Prestwich: Holt House (acc 31)
Sandridge: Lyndon (acc 32)
Southend-On-Sea: Bradbury Home (acc 34)
Weston-super-Mare: Dewdown House (acc 40)

8 Centres for Families (Residential)

Belfast: Glen Alva (acc family units 20, max 77 residents),
Belfast: Grosvenor House (acc family units 19, max 76 residents),
Belfast: Thorndale Parenting Assessment (7 family units)
Belfast: Thorndale Family Centre (acc family units 34, single bedsits 4, max 125 residents)
Fleetwood: George Williams House (acc family units 9, max 36 residents)
Portsmouth: Catherine Booth House (acc family units 21, max 40 residents),
Portsmouth: St Paul's House (acc family units 14, max 56 residents),
Portsmouth: St Monica's House (acc family units 10, max 40 residents)

2 Centres for People with Learning Disabilities

Kilbirnie: George Steven Centre
Liverpool: Strawberry Field

Centre for Employment and Training

Hadleigh: Hadleigh Farm Estate

42 Centres for Single Homeless (Adults)

Belfast: Centenary House and Calder Fountain (acc direct access 120)
Birmingham: William Booth Centre (acc 74)
Blackburn: Bramwell House (acc 55)
Bradford: The Orchard (acc 42)
Braintree: New Direction Centre (acc 14)
Bristol: Logos House (acc 69)
Cardiff: Tŷ Gobaith (acc 78)
Coventry: Harnall (acc 80), The Gateway (60)
Dundee: Strathmore Lodge (acc 25), Burnside Mill (acc 20)
Edinburgh: The Pleasance (acc 37)
Glasgow: Eva Burrows 1st Stop Project (acc 40), Hamilton, Housing First,
Huntershill Court (acc 10), Wallace of Campsie House (acc 52), William Hunter House (acc 43)

Grimsby: The Booth Lifehouse (acc 35)
Hull: William Booth House (acc 113)
Huntingdon: Kings Ripton Court (acc 36)
Ipswich: Lyndon House (acc 39)
Liverpool: Ann Fowler House (acc 38), Darbyshire House (acc 45)
London: Cambria House (acc 48), Founders House (acc 110), Riverside Complex (acc 50)
Manchester: Discovery House (acc 10), Endeavour House (acc 15), Independence House (acc 15)
Perth: Skinnergate (acc 30)
Plymouth: Devonport House and Zion House (acc 72)
Reading: Shepton House, Willow House (acc 38)
Ryde: Fellowship House (acc 27)
St Helens: Salisbury House (acc 68)
Salford: Abbot Lodge (acc 20)
Sheffield: Charter Row (acc 56), Lincoln Court (acc 15 self-contained units)
Skegness: Witham Lodge
Southampton: The Booth Centre (acc 46)
Stoke-on-Trent: Vale St (acc 60)
Sunderland: Swan Lodge (acc 65)
Swindon: Booth House (acc 50)
Warrington: James Lee House (acc 54)

4 Centres for Single Homeless (Young People)

Accrington: Crossroads (acc 11)
Cardiff: Northlands (acc 26)
Fleetwood: George Williams House (acc 6)
London: Springfield Lodge (acc 40)

4 Homelessness Day Care/Drop In

Bradford: Day Centre
Edinburgh: Niddry Street
London: No 10 Project
Norwich: Pottergate Arc

4 Housing First Programmes

Cardiff
Glasgow
Hamilton
Merthyr Tydfil

5 Non-Residential Homelessness Services

Aberdeenshire Floating Support
Cardiff Bus Project
Cardiff Floating Support
EIP York
Inverness Floating Support

6 Drug and Alcohol Services (Scotland)

Aberdeen

Falkirk

Glasgow

Greenock

Inverness

Stirling

Our Employment Plus programmes engaged with over 7,500 people, supporting them, coaching them and helping them into work across the UK.

How We Work

While The Salvation Army is not unique as a provider of centrally coordinated residential and support services, it is certainly distinctive in terms of its structure, and this distinctiveness gives us a real opportunity to go about our work in impactful ways.

The Salvation Army is a church and charity that doesn't just help people by providing immediate, practical support to overcome issues such as addiction, experiencing homelessness, social isolation or poverty and recovery from slavery; it also strives to address the reasons that cause these situations, with a view to effecting sustainable change in individuals and society at large.

What sets The Salvation Army apart from other organisations is that we have the combined strength of our centrally co-ordinated services and our locally co-ordinated churches and community centres which are all playing their part to bring about positive change. When this really comes together, as it does in many places across the UK, it models what we call 'integrated mission'.

Our Social Work Trust, for which this is the Annual Report and Accounts, is the charitable registration through which we allocate and manage funds for our (principally) residential centres and centrally co-ordinated operations. Much of the funding for this work is channelled through government and local authority payments and grants, with the cost of the additional support, wellbeing and training services being met from a grant from our sister charity, The Salvation Army Trust. To see the full picture of our work, you will need to read both sets of Reports and Accounts.

Our strategy in the Social Work Trust has been to ensure the work of these mainly residential centres is effective and efficient, compliant and as transformative and as supportive as possible, and that all we do starts with the needs of people we serve. That is why in addition to statutory funding we are committed to deploying Salvation Army funds to provide the best possible additional support services we can, in order to achieve the best outcomes for the people in our care.

While we have ongoing contractual commitments which it is our mission to meet, we are always looking to ensure that opportunities for us to make additional differences are identified, assessed, and when possible seized. Our strategy therefore is one of controlled and best possible ongoing delivery, and at the same time a disciplined ambition to do as much as we can in ways that are as meaningful and innovative as we can, in as much of the UK as we can. As we look forward, for as long as we can afford to, we will commit to identifying additional opportunities to deliver services.

The Salvation Army Trust provides centrally co-ordinated facilities - such as HR, finance, property, IT, PR and media support. This approach enables us to be efficient and effective in the use of resources.

Work has been ongoing in recent years to improve the quality of headquarters support to local units while ensuring cost efficiency and sustainability. This is led by the Structure Coordination and Design Project which is focused on three desired outcomes:

- **Transformation:** Increase the capacity of locally based Salvation Army work to contribute to the five mission priorities (share the good news; nurture disciples of Jesus; care for creation; serve others without discrimination; seek justice and reconciliation).
- **Integration:** Build strong and effective collaboration between all aspects of Salvation Army work in a geographical area.
- **Streamlining:** Design appropriate, effective, efficient and sustainable structures and processes that enable local mission to flourish.

This project is complex and is seeking gradual change over the next couple of years.

This report illustrates just some of the developments we have implemented in the last year, in the context of a terrible pandemic, as we work to deliver our mission and strive to achieve our vision. We are blessed to have the resources to operate in this way and we believe - and know - that our approach helps transform the lives of thousands of people every day.

2020/2021: A YEAR IN REVIEW - HIGHLIGHTS, ACHIEVEMENTS, DELIVERY AND IMPACT

In the early months of 2020, a tiny virus transformed the world completely. As the coronavirus pandemic spread to the UK and Ireland, it brought sickness, economic devastation, unemployment and poverty. It also brought loneliness, as many people became isolated in their own homes.

Never has The Salvation Army's 'can-do' spirit been needed more. As a church and charity that is rooted in hundreds of communities and with a substantial, centrally managed and coordinated base of residential centres and contracted operations, we were right in the front line of the crisis - and we responded immediately to people's needs, doing what needed to be done. This report highlights the way in which The Salvation Army responded to this crisis through The Salvation Army Social Work Trust.

A SAFE PLACE AND A FRESH START FOR HOMELESS PEOPLE

■ **Lifeshouses and the pandemic.** The pandemic and lockdowns created a huge challenge for the staff in our Lifeshouses (residential centres for homeless people) across the UK and Ireland. Yet we stayed open and fully supported the Government's *Everybody In* initiative, increasing the capacity of our Lifeshouses to help bring vulnerable people in off the streets.

We also came to the aid of homeless people accommodated in hotels in many of our major cities, providing food parcels and emotional support to people who were temporarily housed and isolated during the lockdown.

■ **Hope after hospital.** Last year, The Salvation Army introduced a new, much-needed service to homeless people who were due to be discharged from hospital. They were offered 'step-down beds' at our St Ann's building in Westminster, which gave them a safe space to recover while also freeing up NHS beds. We provided round-the-clock care, while a specialist nurse and housing worker from Guy's and St Thomas' NHS Foundation Trust visited the patients twice a week to support them with their health needs and help them move on to longer-term housing.

Tess James, a clinical nurse specialist with Guy's and St Thomas' Homeless Health Team, said: 'Many of the patients are clinically vulnerable and are unlikely to survive sleeping rough. By giving people a safe place to live, we can continue to provide the care they need.' Patients were also signposted to legal and housing support and alcohol and drug services to help them get back on their feet and make a fresh start.

■ **Bringing rough sleepers to safety.** During the pandemic, we continued our efforts to help bring rough sleepers in from the cold and dangerous streets. The work of the York Salvation Army's Early Intervention and Prevention (EIP) team is a good example. Staff members continued to carry out regular street walks to help people experiencing homelessness find safe accommodation quickly. The EIP team also worked closely with food providers to co-ordinate deliveries to people already in emergency accommodation.

■ **A safe refuge and a helping hand.** Our Pottergate Day Service for homeless people in Norwich has continued to function throughout the pandemic and has now increased its provision to 7 days a week. The needle exchange programme - vital to prevent the spread of infection - was the only one available in the city, as the other services closed during lockdown. The Salvation Army staff continued to provide an excellent service, providing takeaway meals and shower facilities.

■ **A more settled future for rough sleepers.** A new service, *Hamilton 1st Stop Service*, was opened in partnership with South Lanarkshire council to provide additional, short-term but more settled accommodation for former rough sleepers previously accommodated in hotels.

■ **Local initiatives.** Despite the pandemic, The Salvation Army continued to find new and innovative responses to homelessness. We secured Government funding to extend 'floating' support for homeless people in Bristol and Swindon; *Somewhere Safe to Stay* provision (short-term accommodation for rough sleepers) in Southampton; and outreach in the Isle of Wight. Springfield House in Milton Keynes has been awarded £5,000 for a Mental Health and Wellbeing project.

■ **Client survey brings good news.** During lockdown, we carried our satisfaction survey among the users of our homelessness services - and the results were remarkably encouraging. 830 people responded, of whom 94% were satisfied or very satisfied with 'being made to feel welcome' into our services; 90% were satisfied or very satisfied with our Covid safety measures; and 90% with the inhouse mental health support offered to them. Our director of Homelessness Services Lorrita Johnson commented: 'The results show what a fantastic job our frontline staff and officers have been doing over this very difficult year.'

■ **Stopping the spread of disease.** Staff members at The Salvation Army's Devonport Lifehouse (centre for homeless people) in Plymouth have been praised by the council for stopping a coronavirus outbreak among its residents. One occupant tested positive for the virus and was immediately moved to a self-contained flat to self-isolate. The flat had been deep-cleaned in advance as part of the staff's forward planning and kept empty in case it was needed.

BREAKING THE CHAINS OF ADDICTION

■ **Keeping going through the pandemic.** The Salvation Army has three specialist addiction services, as well as an array of outreach services and community services that support people with addictions. When the pandemic struck, we were determined to keep this work going, knowing how vital it was. As addiction-related deaths continued to soar (estimated to have risen by a further 30% during Covid) and austerity continued to decimate drug and alcohol agencies and support services, we were - more than ever before - in the front line of the battle against addiction.

■ **Getting to the roots of addiction.** The Salvation Army has developed a distinctive approach to helping people break the grip of addiction - focusing less on *‘What’s wrong with...?’* and more on *‘What’s happened to...?’* In other words, we aim to address the root causes of addiction. We believe in each and every person’s unique strengths, character, and capacity to thrive given the right circumstances. - and we support our service users as they overcome their problems and move on with their lives. The work of our Addictions Development Team has also helped us to embed a culture of harm reduction in all our Lifehouses, day centres, outreach and other services - helping people stay as safe as possible and minimise risks to themselves and others.

■ **Core Recovery:** - a spiritual journey from addiction to recovery. For many people, the journey towards recovery from addiction is at least partly a spiritual journey. That is why we have introduced a programme called Core Recovery into our addiction services. Booth House Lifehouse in Swindon is one of the Salvation Army services that has introduced Core Recovery Church in the last year. ‘The distinctive thing about our church is that it is interactive,’ explains chaplain Captain Brian Ward. ‘Most of the congregation are people who are in recovery from addictions. I deliver Christianity in a way the congregation can understand so that church can be accessible.

‘What we try to emphasise are that we’re not going to judge anyone, regardless of where they’ve been and what they’ve done, and that we’re going to journey with them,’ explains Brian. ‘It’s natural for people to seek God because it’s part of their spiritual DNA. So, it’s about recognising that and helping people understand what that means for their personal journey.’

IN THE FRONTLINE AGAINST MODERN SLAVERY

■ **The Salvation Army wins new victim care contract.** In the year under review, The Salvation Army was awarded the Government’s new Modern Slavery Victim Care Contract to manage the support of adult victims of modern slavery in England and Wales from 2021 for at least five more years. We have held the contract since 2011 and have supported more than 10,000 adult victims of modern slavery and human trafficking since then. Under the new and extended contract, all survivors of modern slavery referred in England and Wales will now be entitled to receive support from The Salvation Army at all stages of their recovery. That includes a safe place to stay as well as a support worker to help them access the help they require.

Commissioner Anthony Cotterill, leader of The Salvation Army in the United Kingdom and Ireland Territory, said: ‘We are grateful for the opportunity not only to continue to serve these most vulnerable people but to extend the support available to them at all stages of their recovery.’

■ **More British victims.** Figures published in October 2020 revealed that The Salvation Army supported 79% more British slavery survivors in that year than in the previous year. The figures suggest that, although most of the victims of modern slavery are people who have been trafficked from abroad, more British people are falling victim to this form of cruel exploitation. Of the 243 British victims we helped last year, 111 were coerced into crime, 70 were victims of forced labour, 46 were forced into sexual exploitation, and nine were trapped in domestic servitude. Alarming, 40% of the people who came to us for help were young people, aged between 18 and 25.

Overall, 2,662 people entered The Salvation Army's network of safe houses and outreach work between July 2020 and June 2021 - this is slightly more than the previous year despite the potential impact of restrictions to businesses, travel and opportunities to spot signs of slavery in the light of COVID-19.

■ **Call for vigilance.** The Salvation Army called for members of the public to be 'vigilant' in spotting the signs of modern slavery. This followed a fall in the number of suspected modern slavery victims at the start of the lockdown, which is probably due to a decrease in opportunities for identifying victims, rather than a decrease in exploitation.

Our director of Anti-Trafficking and Modern Slavery, Major Kathy Betteridge said: 'Our pressing concern is that slave masters are discarding people who they had been forcing to work in places like restaurants, hotels and car washes and that these people may not know what help is available. We would encourage anyone in this position to call The Salvation Army. We are also calling on the public to be vigilant in spotting the signs of people trapped in slave-like conditions and to report their suspicions to the police.'

■ **Outreach work grows.** The past year saw a significant growth in our outreach work for victims of modern slavery in London and East Midlands. Our London outreach service had over 100 clients and the premises in Argyle Street became a central hub for staff and clients.

■ **Survivor support.** Our Connect programme, offering ongoing survivor support, completed its pilot programme and was extended. It offers practical and holistic support to survivors who are awaiting their decision from the authority. It aims to support people on their journey from victim to survivor and provides a range of services, including a drop-in service, participation in community events and mentoring. Connect also continued to serve its clients virtually. A donor gave a gift of smartphones for those survivors who would otherwise not be able to access online services.

■ **Prize-winning film gets the message across.** *Hidden In Plain Sight*, a Salvation Army short film made to raise awareness of modern slavery, was awarded a top prize in the Charity Film Awards. Four hundred charities entered the awards, and more than 110,000 people voted to select the winners.

■ **Anti-Slavery Day.** The Salvation Army raised awareness of modern slavery for Anti-Slavery Day (18 October 2020) by asking people to buy a special edition #WeAreNotForSale face mask. All profits from the sale of the mask went to our Victim Support Fund to help survivors of modern slavery as they start to rebuild their lives. People who bought a face mask were encouraged to take a picture of themselves wearing it and share it online with the #WeAreNotForSale hashtag.

■ **Cashless payments.** The Salvation Army donated £20,000 from its Victim Care Fund to provide cashless payment support for victims of modern slavery living in safe houses and receiving outreach support. Money for food and living expenses would normally be provided in cash to help people on their journey of recovery. In partnership with B4B payments, The Salvation Army provided a prepaid Mastercard instead so that money could be accessed in a secure, safe way.

■ **The Salvation Army teams up with the Met.** In May 2020 The Salvation Army partnered the Modern Slavery Investigation team of the Metropolitan Police in a series of raids tackling the sexual exploitation of women. Detectives made six arrests in the city of Westminster and rescued a number of women, who were offered protective care and specialist support provided by The Salvation Army. Detective Superintendent Tara McGovern said: 'The Met will continue to work with partners including The Salvation Army to combat human trafficking and modern slavery.'

■ **International anti-slavery work.** Our Anti-Trafficking and Modern Slavery team has been working across the globe with Salvation Army colleagues in Nepal, Ukraine, Russia, Poland, India, Nigeria, Ghana, Kenya, Philippines, Argentina, South Africa, Bangladesh, Tanzania and Uganda. We were able to support individuals returning to their countries of birth, who have been victims of trafficking and are now seeking to rebuild their lives.

JUST THE JOB FOR EVERYONE

■ **Personal support for jobseekers.** The pandemic brought a huge economic downturn. Firms closed or shed jobs - and finding a job was harder than ever. That's why The Salvation Army stepped up its efforts to help unemployed people find the right jobs and training for them. Even during the lockdown, our Employment Plus service didn't shut up shop. When face-to-face meetings became impossible, we used online and telephone contact to go on working for our clients.

Colin is one of the people we have helped during the past year. He was out of work for a year and was beginning to lose hope that he would find another job. But Sally, our local employment development officer, couldn't have been more helpful. She helped him to apply for a job in a local supermarket and to prepare for the interview. He couldn't believe it when the firm contacted him and offered him the job.

Like all Employment Plus staff, Sally gives jobseekers individual, personal support so they can find the right career for them. She also supports them emotionally, at a time when their self-esteem may be at a low ebb - encouraging them to believe in themselves and what they have to offer. Very often that can make all the difference.

■ **A step on the ladder for jobless young people.** The Salvation Army has offered young people the chance to work for us as part of the Government's *Kickstart* scheme. *Kickstart* funds six-month job placements for people aged 16 to 24 who are at risk of being unemployed long-term. As youth unemployment became a serious concern in this country, we responded by offering 84 placements, fully funded by the Government, in a variety of Salvation Army services. A wide range of fulfilling roles were made available to young people, ranging from catering staff and gardeners to marketing assistants and activities co-ordinators.

■ **Apprenticeships open doors for jobseekers.** The Salvation Army is among the major organisations in this country who recruit new employees as apprentices and give them training to develop the skills and knowledge for a rewarding career. In the past two years The Salvation Army enrolled more than 90 people on apprenticeship programmes across a variety of services. They included older people's services, homelessness services, health and social care, early years education, and line management. The training is delivered by approved external providers, colleges and universities.

CHALLENGING DISABILITY

■ **Hadleigh Farm trainees keep on learning in lockdown.** Adults with additional support needs and their carers continued to find help, advice and life-skills training from The Salvation Army's Hadleigh training centre, even when it closed during the pandemic. Staff members adapted training programmes so that the centre's 150 trainees didn't miss out on vital learning and support for their well-being during lockdown.

Hadleigh estate director Ciaran Egan explained: 'We contact our trainees at least once a week to check on their welfare. We personally deliver a different practical activity each week for them to complete. This has included hanging baskets, cupcake baking and sanding activities. Each activity is matched to a YouTube tutorial and a set of easy-to-read instructions.' The centre also offered online electronic activities, along with scavenger hunts, word searches and recipes to use at home.

■ **Strawberry Field trainees work from home.** At our Strawberry Field training centre in Liverpool, the Steps to Work programme helps young adults aged 18 to 25 with learning disabilities to gain the skills they need to find employment. However, it was apparent right from the start of lockdown that the programme would have to change because of the new restrictions.

Within the first two weeks of social distancing, a whole series of online activities was planned to keep the trainees motivated. They included virtual exercise and sharing happy memories. The popularity of online 'keeping in touch' sessions helped us to move on to Steps from Home, a programme of online training. Each day the trainees were invited to log on to Zoom and spend up to an hour with each other and the Steps to Work training professionals.

■ **Strawberry Field's story - told in pictures.** Mike McCartney (better known as Mike McGear), the younger brother of Sir Paul McCartney, has documented the progress of our Strawberry Field site in Liverpool since the demolition of the 1970s building to the development of our new training centre there. He has done this by creating a collection of fascinating photos, a selection of which have been exhibited at the Strawberry Field visitor centre. They will also be published in a book.

The exhibition covers the interwoven stories of The Salvation Army, the children's home that was previously on the site, John Lennon's childhood and the writing of the famous Beatles song *Strawberry Fields Forever*. It also offers never-before-seen insights into the redevelopment of the site into the inspiring training centre for young people with learning disabilities, which is currently changing so many young lives.

A FULLER LIFE FOR OLDER PEOPLE

■ **Singing with joy.** The Salvation Army in Wrexham helped people with dementia by hosting virtual singing sessions throughout the pandemic. Like many Salvation Army churches, our church in Wrexham runs a range of dementia-friendly activities, including our monthly *Singing By Heart*. This had to close during the lockdown, but we decided to continue supporting these vulnerable people by delivering the sessions online.

Karen, our community manager in Wrexham, says: 'The people who used to attend our sessions really missed them when they closed. So, we applied for grants to buy new equipment, so we could take *Singing By Heart* into local care homes. The songs definitely ignite memories for people, which they love to share. It's wonderful that our centre is once again filled with joy and laughter.'

■ **Spiritual comfort for older people.** In addition to the work that our local churches did to support lonely and isolated older people through the pandemic, The Salvation Army launched a dedicated programme called *Silver Linings* on our Facebook page. This is an ongoing series of daily devotionals that started in March 2020. These are biblical reflections aimed at older people. Two Zoom 'conversation' events to celebrate the International Day of Older People focused on Ageing Well and Spiritual Health.

Our ministry partnership with Faith in Later Life also introduced *Daily Hope*, telephone line offering music, devotionals, scriptures and prayers via a freephone number. In the first six months it received 250,000 calls.

■ **Coronavirus safety.** The Salvation Army care home in Prestwich, Greater Manchester, was praised in a report by the Care Quality Commission for its efforts to keep residents, staff members and visitors safe during the pandemic. Inspectors commended the care home for its purpose-built, enclosed and sealed visitor pod that provided a complete barrier between visitors and residents and could only be accessed by visitors from the garden. The report added that 'people were kept as safe as possible by a new zoning rota system which promoted social distancing'. A number of other homes also remained coronavirus-free due to outstanding infection control and actively minimising the risk to our residents.

OPENING DOORS FOR CHILDREN AND YOUNG PEOPLE

■ **Online resources to inspire young people.** In the past year, The Salvation Army has developed a range of online resources to keep young people, raise their spirits, safeguard their mental health and deepen their spiritual understanding. They include *Upbeat* and *Made To Be*, two resources for boys and girls respectively to build help them build emotional resilience. We also introduced *Inside Out*, a resource to enable young people to get into the Bible and apply it to their lives today - in conjunction with which we also distributed 1,300 Youth Bibles. A special promotion called *Young Volunteers* aimed at encouraging young people to volunteer in charity shops in the school holidays.

■ **A step on the ladder for jobless young people.** The Salvation Army has offered young people the chance to work for us as part of the Government's *Kickstart* scheme. *Kickstart* funds six-month job placements for people aged 16 to 24 who are at risk of being unemployed long-term. As youth unemployment became a serious concern in this country, we responded by offering placements in a variety of Salvation Army services. A wide range of fulfilling roles were made available to young people, ranging from catering staff and gardeners to marketing assistants and activities co-ordinators.

■ **Coping emotionally in the pandemic.** The Salvation Army's Southwark Young People's Service in London (formerly Springfield Lodge Lifehouse) faced a huge challenge due to the pandemic. The Service performs a vital role as a resettlement service providing accommodation and support for young people. The young people here have experienced poverty, poor education and gang culture and need a fresh start with a highly trained team of staff to motivate them and support them. However, with so many of our support services locked down, we had to rethink how we worked.

Support workers continued to hold their regular key work sessions and one-to-one support sessions, often by telephone. Due to many of our young people not being in college or not working during the lockdown (many of them work in hospitality) staff had to coach them in how to be happy in their own company and look after their own mental health. They were difficult times, but for young people and staff alike, the important thing was to know that we were there for each other.

■ **Going the extra mile for homeless young people.** The pandemic has been a difficult time for homeless young people, so The Salvation Army has gone the extra mile to help them. 'For a young person who's been homeless, moving to new accommodation can be worrying - and during lockdown there was an added level of anxiety,' says Sally, who works for the Cardiff Young Persons Supported Accommodation Partnership, led by The Salvation Army. 'Despite the challenges of social distancing, our team have worked at full capacity to help young people settle in and start making plans for the future.'

She adds: 'It's been a tough time, but the staff came up with some great ways to boost morale. We organised a social distancing pizza night and film evenings with safely spaced chairs. We also used social media to contact young people who are already living in their own home to check on their wellbeing. We made sure that they had food every day - and, very importantly, that they didn't get lonely during lockdown.'

HELPING PEOPLE FIND THEIR WAY OUT OF DEBT

■ **Easing the burden of pandemic poverty.** The Salvation Army's Financial Inclusion Service continued all through the pandemic to support people burdened by debt. The service manager Lorraine Cook says: 'For the people we were already helping, our aim was to support them so that they would continue making payments to their creditors and would not run up extra debt. There were also many new clients needing our help.'

During the pandemic, our debt advice centres saw requests for help increase by 28% as pandemic poverty took hold of many vulnerable households. Lorraine says: 'It's not just people who have lost jobs. Nearly a fifth of those who got in touch with us cited low income as the main cause of their debt.'

■ **Keeping it personal.** Our debt advice service is normally face-to-face, so we had to adapt it during lockdown so that we could provide an online service. We contacted people using whatever technology is available, which might be been a video call using WhatsApp or a telephone call. Nonetheless, service manager Lorraine Cook emphasises that debt advice is a person-to-person service which helps people in a holistic way.

Lorraine says: 'Managing debt is more than just a repayment plan. The mental strain of being unable to pay basic bills is often overlooked, and it's part of our job to address this. We can provide people with the food parcels they need to manage while we look for longer-term solutions. We maintain a relationship with each individual throughout their journey, linking them up with their local Salvation Army for ongoing emotional support and companionship.'

■ **Nadine's story.** Our Devon and Cornwall Debt Advisor, Nadine, told us about a case that moved her: 'A man in his 60s came to us having been made redundant after 40 years in employment and he was living on the breadline. He couldn't afford food, wasn't able to pay for basic bills and was facing the prospect of living in his car as he was unable to pay for rent.'

'Thankfully we were able to intervene. We gave him a food parcel, ensured he had an energy supply and advised him on how to apply for Universal Credit and other benefits. We negotiated with the landlords, explained to him his legal rights and the processes to get help with housing. I don't know what would have happened to him if he hadn't sought our help, but nobody can survive without food and live in a car during winter'.

■ **Debt Relief Orders - call for reform.** The Salvation Army responded to the Government's consultation on debt relief orders, drawing on the knowledge and experience we have gained from our work helping people outdo debt. We welcomed the proposals to give people in debt a 60-day breathing space to get their affairs in order. However, we warned that longer-term solutions were needed to stop people facing hardship during the pandemic from building up debts.

SPEAKING UP FOR JUSTICE AND SEEKING RECONCILIATION

■ **A guiding light for our times.** In 1890 The Salvation Army's Founder William Booth wrote *In Darkest England* in which he described the social problems of the time and his own blueprint for tackling poverty and social exclusion. Now The Salvation Army has published a new book *In Darkest England: 130 Years On* showing how Booth's principles are still relevant today.

Lieut-Colonel Dean Pallant, Secretary for Communications for The Salvation Army in the UK and the Republic of Ireland, says: 'The challenges people were facing in the late 19th Century are not too different from those people are experiencing today. Pandemic Britain is concerned about rising unemployment, debt, alcohol abuse, modern forms of slavery, a lack of affordable housing and people still living on the streets. Booth's solutions are, 130 years on, still relevant and, more importantly, we know they work.'

■ **The Salvation Army warns of a poverty crisis.** Even before the pandemic, The Salvation Army was warning of a poverty crisis, as the number of people living in poverty increased. Then, when the lockdown began, and many people lost their jobs and income, the number of people claiming Universal Credit grew sharply. Yet at the time there was a five-week wait before claimants receive their first payment - and we knew that a quarter of UK households had no savings. We therefore urged the Government to rethink the waiting period, which was leaving many families and young people in desperate poverty. We called for advance payment loans to be replaced by grants. We also urged the Government to retain the temporary £20 uplift to Universal Credit.

■ **Speaking up for rough sleepers.** We warmly welcomed the Government's interim housing plan, which provided £105 million towards interim housing for rough sleepers during the pandemic. However, we warned, as this assistance was only due to last for 12 months, it could not solve the problem of rough sleeping permanently. We urged the Government to do more in the longer term to bring rough sleepers in from the streets.

During the worst of the pandemic, the number of rough sleepers fell, as the Government's *Everybody In* initiative helped to move them into temporary accommodation. However, The Salvation Army warned that the UK still faced a longer-term crisis. Our director of Homelessness Services Lorrita Johnson said: 'Getting everybody in is only part of the solution. People need support to overcome the reasons why they ended up rough sleeping in the first place. Without sustained support, our experience tells us that these vulnerable people may end up back on the streets.'

We published our own report entitled *Future-proof the Roof* setting out what we believed needed to be done to reduce homelessness. The proposals included improving data collection to assess the number of people rough sleeping and their needs, as National Audit research has shown that the Government underestimated the number of people needing temporary accommodation in the first lockdown. It also included sustained investment to build on the progress made during the pandemic; and providing a steady supply of suitable homes.

■ **Speaking up for vulnerable jobseekers.** The Salvation Army welcomed the Government's pledge to double the number of work coaches in jobcentres and offer more support for under-25s. However, we also warned that vulnerable jobseekers, such as those who lack computer skills or have mental health problems, could be locked out of the job market for years. We called for funding through the UK Shared Prosperity Fund to address the problem. The scheme is the Government's post-Brexit replacement for EU funding that supported the most deprived communities in the UK.

■ **Defending refugees.** Asylum seekers and refugees attract unwarranted criticism in some quarters. But as Christians we believe they have the right to be treated with dignity and humanity. We know that many have had no choice but to make a dangerous journey to seek safety from conflicts, persecution and violence.

We joined other churches to call on the Government to stop housing asylum seekers in military barracks but to find more suitable accommodation for them. We also joined with the *Lift the Ban* coalition of organisations in urging the Government to allow people seeking refugee status to have the right to work.

During the year, we welcomed the support of asylum seekers and refugees who volunteered to assist with our coronavirus response work. Many of them rolled their sleeves up to pack essential food parcels or cook meals for people who were going hungry.

■ **An inclusive church.** In the past year, The Salvation Army issued strong statements against discrimination on grounds of sexual orientation or gender identity, race, religion and ethnicity. In the words of our inclusion statement, The Salvation Army 'aims to be a church where everyone is welcome'.

RAISING FUNDS

The income streams for The Salvation Army Social Work Trust consist mainly of statutory funding and, to a lesser degree, income from the sale of assets and income from legacies and donations which have been specifically made to and received directly by this Trust.

Fundraising for the overall work of The Salvation Army, including the work carried out by The Salvation Army Social Work Trust, is managed through and executed under The Salvation Army Trust, a separate charity from The Salvation Army Social Work Trust.

One of the distinctive features in the delivery of services covered by The Social Work Trust is that we always seek to do the best we can to help people experience holistic change. Often this means providing additional support services, training and skills development. This comes at a cost, and therefore to meet this additional cost The Salvation Army Trust makes a grant to The Salvation Army Social Work Trust based on funding needs.

This grant is agreed in advance as part of the budgeting process, and the actual value of the grant made during the year appears in The Social Work Trust as 'Grants Receivable: The Salvation Army Trust'.

No active fundraising is carried out by The Salvation Army Social Work Trust.

Our fundraising and appeals programme feature the work of both trusts.

The Salvation Army Trust Report and Accounts form a sister publication to these reports and accounts.

SUBSIDIARIES

The Salvation Army Social Work Trust works in harmony with its subsidiary Salvation Army Housing Association (saha). saha operates nationally in 80 local authorities across England and has five main areas of operation:

1. Agency Managed Centres (1,559 bed spaces):
saha works in partnership with a number of organisations nationally to provide a wide range of Agency Managed Supported Housing services.
2. General Needs (1,280 homes):
saha has a range of accommodation for mainly single people; we also have flats and houses for families. Generally, residents access this accommodation through local authority waiting lists as we have nomination arrangements in place with the local authority partners.
3. Accommodation for the over-55s (293 bed spaces):
Some of saha's accommodation is specifically designed for those over the age of 55, including a scheme manager providing on-site support. In accommodation where there is no staff on site, there will be an alarm call system and other types of floating or community support available. Styles of accommodation vary from studio flats to bungalows. Many of saha's schemes have communal facilities where activities and clubs take place.
4. Directly Managed Supported Housing (476 bed spaces):
saha directly manage a number of schemes throughout England, both managing the building and delivering the day to day management and support. As with the Agency Managed schemes these support a wide range of homeless people and families. All of these schemes have 24 hour staff support, and residents engage in a range of activities to promote independence with the aim of resettlement into independent living.
5. Registered Care Homes (52 bed spaces):
saha manages a number of registered care homes, both directly and working with the parenting agency to provide support and care for clients in a residential environment.

saha also manages over 728 residential properties on behalf of The Salvation Army, providing a housing management service throughout the country.

MODERN SLAVERY AND ANTI HUMAN TRAFFICKING STATEMENT

As the Salvation Army in the United Kingdom and Ireland Territory we hold a zero-tolerance stance on acts of modern slavery and human trafficking and on any breach of our Ethical Policy and will not condone any such action by our contractors, suppliers or consultants. We take this issue very seriously and are committed to preventing acts of modern slavery and human trafficking from occurring within our supply chain. Our Procurement Ethical Policy is integral to all supplier contracts and sets out the overall standards surrounding human rights, child labour, discrimination, corruption, bribery or other financial impropriety, legal compliance and ethical conduct with which our suppliers must comply.

A Supplier Ethical Declaration is referenced in the standard purchase terms and conditions of The Salvation Army and compliance is a contractual requirement for all suppliers operating under these standard terms and conditions. In addition, all suppliers and contractors submitting tender responses must confirm their agreement and acceptance of the terms and conditions and sign the ethical declaration and apply these standards to their own supply chains.

Our Procurement Unit continually reviews its supply base, examining suppliers in those areas that represent the highest risk of modern slavery, particularly in spend areas relating to temporary labour, cleaning, catering, linen, branded goods and building services. Where possible trade and industry best practice standards are used as the benchmark and the Salvation Army has adopted the use of Constructionline for tendering and selecting building suppliers.

Due to the importance of training and education in the fight against modern slavery, the Procurement Unit has partnered with Stronger Together to deliver training to members of its team on identifying potential victims of modern slavery. All members of the Procurement team complete the Chartered Institute of Purchasing and Supply ethical procurement assessment annually.

The Procurement team holds regular *Helping the Salvation Army Buy Better* training seminars for stakeholders where ethical supply chain issues are covered. The Procurement team has also hosted a supplier conference with a specific focus on providing education on combating supply chain labour abuses. The commitment to ensuring ethical supply chain standards is also embedded in the recently adopted Salvation Army Fiscal Stewardship Principles and the Procurement Unit will be asked to report against these standards regularly.

REVIEWING FINANCES

Income

	2021 £m	2020 £m
Charitable activities:		
Centres' revenue income	73.3	75.7
Other social operations	51.7	36.2
Housing association turnover	24.7	26.3
	149.7	138.2
Legacies and donations	5.3	3.5
Grants from The Salvation Army Trust	16.0	16.0
Investment and rental income	1.5	2.7
Other income	0.2	0.0
Total income	172.7	160.4

Centres' revenue income

The main elements are:

- charges for residents in our care homes for older people (£13.0 million)
- charges for residents in our Lifehouses (£27.1 million)
- income received under contracts with local authorities, principally Supporting People contracts (£29.3 million)

Other social operations

The main elements are:

- Employment Plus (£3.1 million)
- Anti-Trafficking (£48.4 million)

Our Employment Plus team provides services to help unemployed people into work through several Work Programme contracts where The Salvation Army is a subcontractor. Income fluctuates as it is dependent on the number of referrals and also on clients securing and retaining employment.

We provided support to the victims of modern slavery under a contract with the Ministry of Justice. The demand for this service has increased year on year.

Housing Association turnover

This represents the turnover of The Salvation Army Housing Association (saha), a subsidiary of the Social Work Trust, adjusted to reflect the accounting policies and reporting requirements of the Social Work Trust.

Legacies and donations

Legacies of £1.2m and donations of £4.1m were received in the current year.

Grants from The Salvation Army Trust

The Salvation Army Trust provide financial support to the Social Work Trust. This includes the Big Collection Appeal which is an annual door-to-door appeal by corps (church) members specifically for social work programmes.

Expenditure

	2021 £m	2020 £m
Charitable activities:		
Centres' operations	86.3	100.8
Other social operations	54.0	40.6
Housing association operating costs	21.8	28.2
	162.1	169.6
Cost of raising funds	0.1	0.1
Total expenditure	162.2	169.7

Centres' operations

This represents the operating costs of care homes for older people, Lifehouses, detox centres, day care centres and other non-residential projects. Decreased costs reflects significantly decreased activity at certain centres due to the pandemic.

Other social operations

The increased costs reflect the increase in the number of victims of trafficking being helped by our service as well as Employment Plus and family tracing.

Net gains/(losses) on investments

There has been an unrealised gain on investments of £23.9 million (2020: loss of £7.6 million).

Funds

Including investment gains of £23 million, the Social Work Trust (excluding saha results) has generated a surplus of £33 million compared to a deficit of £16.0 million in the previous year.

Total funds at the year end were as follows:

	2021 £m	2020 £m
Endowment funds	15.8	12.7
Restricted funds:		
Social Work Fund	76.4	75.6
Social Work projects	43.8	39.6
saha operations	123.8	125.0
Total restricted funds	244.0	240.2
Unrestricted funds:		
Designated funds	12.2	12.6
Unrealised investment gains	64.8	44.1
General reserve	12.9	8.2
Total unrestricted funds	89.9	64.9
Total funds	349.7	317.8

Endowment funds

All endowment funds are represented by investment in the Common Investment Funds and the movement is due to the increase in market value of the investments. The capital value of the funds is retained but the income is applied to fund our work.

Restricted funds

Social Work Fund represents property assets including Lifehouses, care homes and other properties used for the operations of the parent charity. These funds are not therefore available to spend.

All income generated from defence services operations is restricted for this work. Funds restricted for social work projects represent legacies and donations given for specific purposes.

All saha funds are treated as restricted in the group accounts.

Unrestricted funds

Designated reserves

These are funds set aside by the directors for capital projects, major repairs and refurbishments and future programmes. These will be used in the next three years to fund new developments and significant refurbishment projects as they are approved.

Unrealised gains

These are book profits subject to fluctuations in the stock market.

General reserve

This represents funds which are freely available for the general purposes of the charity.

RESERVES POLICY

Our reserves policy focuses on the level of general reserves.

We work with vulnerable and disadvantaged members of society, principally through our residential centres. We need reserves so that we can maintain continuity of our services in the event of a decrease in income or unexpected expenditure.

The directors have reviewed the main income streams, the risks associated with them, the main categories of expenditure and the extent to which these can be curtailed if required. A significant proportion of our income is received under contract from local authorities. As such this is subject to regular competitive tendering and to changes in central and local government policies. The Trust also receives a grant from its sister trust - The Salvation Army - generated from its fundraising to support work of the trust. There is a much smaller portion of income that is voluntary income which can be uncertain and fluctuate from year to year.

The level of general reserves is reviewed on a regular basis considering the risks and changes in the income and expenditure streams. During the year the Directors reviewed the reserves policy taking into account the risks and uncertainties faced by the Charity. Based on this review a target range of £4m to £5m was set for free reserves.

Whilst as at the year-end general reserves amounted to £12.9 million, given the uncertainties created by the ongoing pandemic, the Directors consider this to be appropriate.

The levels of designated funds are reviewed annually. These are funds set aside by the directors for new projects and to meet known future commitments such as maintenance of our properties.

INVESTING FOR THE FUTURE

The charity holds its investments in The Salvation Army Common Investment Funds. These funds were set up under Schedule 2 of The Salvation Army Act 1980 to act as common investment schemes for certain Salvation Army Trusts.

The Salvation Army Common Investment Fund (No 1) consists of permanent endowments which are restricted by the wishes of the donor. In most cases the income is to be used for restricted purposes. The Salvation Army Common Investment Fund (No 2) is operated for those Salvation Army Trusts without permanent endowments. Both funds are managed by The Salvation Army Trustee Company. Cazenove Capital Management manages CIF1 and 50 per cent of CIF2, whilst Sarasin & Partners LLP manage 50 per cent of CIF2.

The funds are subject to The Salvation Army Act 1980 and the following guidelines:

- the principal aim is to invest in a manner consistent with the promotion of the objects of The Salvation Army
- investments should be made on longer-term considerations rather than in the pursuit of short-term gains
- investments may be held in stocks, shares, debentures and other securities quoted on a recognised stock exchange, in government, municipal and public utility stocks and in bank deposit accounts
- investments may be made in collective investment schemes, including those holding real estate assets
- no direct investment may be made in unquoted securities in the UK or overseas
- there will be no investment in companies which derive a material amount of their revenues (% indicated) from the following activities:
 - the production of alcohol (5%)
 - the sale, together with any production, of alcohol (10%)
 - the production of tobacco (5%)
 - the sale, together with any production, of tobacco (10%)
 - the manufacture of whole weapons, weapon platforms and weapon systems (no minimum limit)
 - the manufacture or sale of strategic parts for weapons systems (10%)
 - the business of gambling or providing access to such businesses (5%)
 - the production of adult entertainment services or providing access to such services (1%)
 - the publication or wholesale of pornographic magazines or newspapers (1%)
- Investment managers are expected to exclude companies whose activities might reasonably be expected to increase poverty or act against the relief of poverty. The investment managers are required to monitor companies in the portfolios to ensure best practice in corporate governance, employment conditions and environmental sustainability

The Funds' benchmark and ranges of distribution are as follows:

Asset Class	Benchmark %	Range %
Equities:		
Global	40	+/-10
Bonds	0	+/-10
Property	10	+/-10
Cash	0	+10
	100	

The aims and objectives of the Common Investment Funds are as follows:

CIF1

Fund strategy is:

- to preserve the value of the fund, adjusted for real inflation
- to maintain a steady annual income stream

The performance objective of the Fund is to achieve an annual total return which exceeds the composite benchmark below by at least 1.25 per cent per annum, gross of fees, measured over rolling three-year periods.

Asset Class	Performance Benchmark
UK Equities	FTSE All-Share
Europe (ex UK) Equities	FTSE All World Developed Europe (ex UK)
Emerging Markets Equities	FTSE All World Emerging Markets
Asia Pacific Equities	FTSE All World Developed Asia Pacific
United States Equities	S&P 500
Property	IPD UK Property

CIF2

The Fund strategy is to aim for capital growth rather than income. The performance objective of the Fund, excluding cash and gilts under lien, is to achieve an annual total return which exceeds the composite benchmark below by at least 1.25 per cent per annum, gross of fees, measured over rolling three-year.

Asset Class	Performance Benchmark
UK Equities	FTSE All-Share
Europe (ex UK) Equities	FTSE All World Developed Europe (ex UK)
Emerging Markets Equities	FTSE All World Emerging Markets
Asia Pacific Equities	FTSE All World Developed Asia Pacific
United States Equities	S&P 500
Property	IPD UK Property
Cash and gilts under lien	FTSE Gilts under 5 years

Performance for the year compared to the benchmark was as follows:

	CIF1 %	CIF2 %
Annual total return (gross of fees)	25.8	27.5
Benchmark return	27.1	27.1

For the year to 31 March 2021 CIF 1 slightly underperformed compared to benchmark, whilst CIF 2 met its benchmark performance objective.

In absolute terms the performance of the Common Investment Funds for the year was as follows:

	CIF1 2021 %	CIF1 2020 %	CIF1 2019 %	CIF1 2021 %	CIF2 2020 %	CIF2 2019 %
(Decrease)/Increase in capital value of fund	22.3	-9.3	8.8	25.5	-8.4	6.4
Average net income return	0.5	1.7	1.6	0.8	2.1	1.9

STRUCTURE, GOVERNANCE AND MANAGEMENT

The United Kingdom and Ireland Territory is under the command of a Territorial Commander, appointed by the General and responsible to him/her for the day-to-day administration of Salvation Army work throughout the British Isles, including the Channel Islands, the Isle of Man and the Republic of Ireland.

The Salvation Army's property in the United Kingdom Territory is held by The Salvation Army Trustee Company (SATCo), a company limited by guarantee, registered in England (No 00259322), with its registered office at 101 Newington Causeway, London SE1 6BN.

The two main trusts under which The Salvation Army in the United Kingdom operates are:

1. The Salvation Army Social Work Trust, whose accounts are contained in this Report
2. The Salvation Army Trust, Registration No 214779 in England and SCO09359 in Scotland

The governing document of The Salvation Army Trust is The Salvation Army Act 1980, as amended. Under Section 12(1) (a) The Salvation Army Trustee Company is appointed as the sole ordinary trustee of the trusts listed in Schedule 5 to that Act.

The governing document of The Salvation Army Social Work Trust is the Deed Poll dated 30 January 1891 and a supplementary deed dated 26 March 1969.

The Salvation Army Social Work Trust acts as managing agent for a number of projects on behalf of several registered housing associations, including The Salvation Army Housing Association.

Salvation Army Housing Association

The Salvation Army Social Work Trust holds one £1 share and has the power to exercise control over the Salvation Army Housing Association (saha). saha is registered with the Co-operative and Community Benefit Societies Act 2014 and is a registered social landlord regulated by The Regulator of Social Housing.

RECRUITMENT AND APPOINTMENT OF DIRECTORS (TRUSTEES)

There are 14 directors, 10 by virtue of their appointments within The Salvation Army. One director is a divisional leader responsible for one of The Salvation Army's 22 divisions. There are normally five external non-executive directors and the vacant position as at year-end is being reviewed.

Each non-executive director brings expertise in a relevant field - property, finance, fundraising/marketing, investments or social services. The appointment of non-executive directors is made by the General on the recommendation of the Nominations Committee

Training and Induction of Directors

The Company Secretary briefs new directors on their legal responsibilities and familiarises them with the Company's governance folder (and previous Board minutes). This includes the articles of association of SATCo, the Charity Commission's essential trustee guidance, and other key documents and policies (including the Conflicts of Interest Policy). The Company Secretary regularly delivers a written governance update on relevant issues at board meetings. Directors are also informed of and provided with the opportunity to attend several training sessions throughout the year.

Organisational Structure and Decision Making

SATCo's board (the 'Board') is assisted by an Audit Committee, a Nominations Committee, an Investment Advisory Committee and a Risk Management Committee. The Audit Committee comprises a non-executive director chair and three independent members with a remit to review The Salvation Army's internal and external audit arrangements and consider reports issued by internal and external auditors including the annual financial statements. The role of the Nominations Committee is to recommend new non-executive Board members. The Investment Advisory Committee includes three external advisers in its membership and advises on appropriate investments. The Risk Management Committee is referred to below under Risk Management.

The Board met bi-monthly in this reporting year, with some additional meetings scheduled as required. In addition to its oversight and governance role, the following matters require consideration and approval by the Board:

- annual budget
- expenditure of £5 million and above
- investment policy, on the recommendation of the Investment Advisory Committee
- Risk Register
- key policies
- Annual Financial Statements

The Board has delegated day-to-day operational matters to the Territorial Operations Board.

During the previous financial year, the Internal Audit Department reviewed SATCo's performance against the Charity Governance Code for larger charities. The review identified a number of areas in which SATCo is performing well and other areas for development. The areas for development are being taken forward in preparation for another assessment that will take place in the next three years.

Directors' Responsibilities

The directors of SATCo are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of The Salvation Army Social Work Trust, and of the income and expenditure for that period. In preparing the financial statements, the directors are required to:

- select and consistently apply suitable accounting policies
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed
- observe the principles of the Charity SORP
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that The Salvation Army Social Work Trust will continue to operate

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of The Salvation Army Social Work Trust and are required to ensure the financial statements comply with The Salvation Army Act 1980, the Charities Act 2011 and The Charities and Trustees Investment (Scotland) Act 2005. They are also responsible for safeguarding the Trust's assets, taking reasonable steps to prevent and detect fraud and other irregularities.

The directors confirm they have taken account of the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and planning future activities and consider how planned activities will contribute to the aims and objectives set.

Key Management Remuneration

Key management personnel of The Salvation Army comprise Salvation Army officers and employees. Salvation Army officers do not receive a salary; instead they receive an allowance based on length of service and, as ministers of religion, are provided with furnished accommodation and a motor vehicle. The allowances received by officers in positions of key management range from £18,148.92 to £24,249.88 per annum.

For employees, we are committed to ensuring a proper balance between paying salaries which will enable us to attract and retain staff of the appropriate calibre and careful stewardship of charitable funds. All senior salaries are benchmarked against senior staff salaries of comparable organisations in the not-for-profit sector.

No remuneration of key management personnel is charged directly to the Social Work Trust. Further information is disclosed in Note 10 to the Accounts.

Risk Management

The Salvation Army identifies, assesses and manages risks that could impact its activities so it can better achieve its objectives, comply with relevant laws and regulations and safeguard its funds and assets.

The Board (SATCo) has ultimate responsibility for overseeing risk management, in accordance with Charity Commission guidance (CC26). The Board's Risk Management Committee (RMC) directs an enterprise-wide risk management programme to inform decision making and ensure effective procedures to identify and evaluate risks and implement effective controls.

The RMC considers the most recent developments in the most significant risks, while also prioritising broader developments to the Salvation Army's approach to risk management. The most recent three-year plan promotes a deepening appreciation of the complexities of risk management within a wide-ranging structure, the importance of metrics to inform risk management and the implications of macro and global risks that may have consequences for the organisation.

Risk management operates through a top-down review by the RMC and bottom-up review by individual functions, enabling the identification and prioritisation of key and emerging risks. This enables site and service specific concerns to be identified and managed, whilst retaining high level oversight and assurance of the most significant risks facing the organisation. The RMC reports to the Board at least twice yearly on key risks. Through this risk management process the trustees have considered the major risks facing the organisation and satisfied themselves that controls are established to manage them.

Unfortunately, the nature of our work means that despite the steps we take, serious incidents can still arise, and we continue to place the utmost importance on reporting these to our regulators.

The Covid-19 pandemic not only had a significant impact on the Salvation Army's Corps (churches) and services, but it also created significant new risks as essential provision continued, and in the reopening of sites. The management of some of our principal risks in the reporting year related to business continuity and Safe Mission (health and safety) which changed considerably as a result, while the mitigations of other risks were also adapted. The following table outlines the most significant risks for the reporting period, taking account of their impact and likelihood, and the mitigations in place to manage them.

Principal Risks

The Salvation Army's work is diverse, geographically spread across a broad range of settings and has a variety of beneficiaries. The risk landscape is therefore varied, and controls are deployed appropriately at different levels of the organisation. The following outline indicates the most significant TSA risks in the reporting period, and some of the strategic level mitigations we have in place.

Principal Risks	Mitigation
Business Continuity - There is a risk that the occurrence of a significant incident where, during and after the incident, The Salvation Army will not be able to continue to be viable and meet stakeholder expectations.	Business continuity policies and procedures, including the application of ISO27001 for some parts of the organisation, prepare us for management of interruptions. Our business continuity plans have been invoked to manage the pandemic response, enabling us to continue delivering key services in challenging circumstances.
Cyber - The risk is that we fail to protect our information systems and the information they hold.	We deploy multiple measures to protect our systems and the information they hold. We work within an information security international standard (ISO27001) and build on lessons from our internal and external audits in this area. The Salvation Army United Kingdom and Ireland Territory experienced an IT incident in June of 2021, the impact on the work of the Social Work Trust was contained with temporary operational adjustments allowing the Trust to continue business as normal.
Data Protection - The risk that we fail to protect sensitive and personal data.	As well as our data protection/GDPR policies and training we take steps to ensure that personal data is treated properly through appropriate security measures, staff training, the use of data protection impact assessments and contractual requirements with organisations we work with who process our personal data.
Financial Sustainability - The risk that there is insufficient revenue income and reserves to support our operating model resulting in the failure of The Salvation Army to thrive in a rapidly changing environment	We continue to monitor the funding situation and adjust our financial planning and commitments accordingly to ensure we are financially resilient. We adjusted our approach during the pandemic to offer enhanced monitoring of this risk, and acknowledging that contractual income streams are significant, over the coming months/years careful monitoring will be heightened as the UK moves forward in an ever-changing socio-economic climate. Our Fiscal Stewardship Principles guide our financial decision making.
Safeguarding - The risk is that we fail to provide a safe environment, free from abuse, for everyone, including vulnerable beneficiaries.	We continue to maintain clear policies and procedures in relation to safeguarding and ensure the appropriate screening, training and supervision of personnel. A subcommittee of RMC - the Territorial Safeguarding Committee - oversees management of the risk.
Safe Mission - The risk is that we are not able to ensure the health, safety and welfare of personnel, service users and members of the public who are affected by our activities, including in a Covid-impacted environment.	As Covid-related rules and guidance have changed, so have our processes. Thanks to the continuation of our business continuity measures throughout much of the pandemic, we have been adaptable and responsive in ensuring that health and safety measures are proportionate and offer the right protection for our personnel and beneficiaries. Two RMC subcommittees - the Safe Mission Council and the Sudden Deaths Review Group - inform the management of this risk.



Lieut-Colonel Alan Read, Director

On behalf of the Directors of The Salvation Army Trustee Company
10 December 2021

DIRECTORS

The current directors of The Salvation Army Trustee Company and those who held office during the year are as follows:

Commissioner Anthony Cotterill..... Chair
Colonel Paul Main Deputy Chair (Appointed 20.11.20)
Colonel William Lee Graves (Resigned 31.10.20)
Colonel Jenine Main..... (Appointed 20.11.20)
Colonel Deborah Graves (Resigned 31.10.20)
Lieut-Colonel Alan Read Managing Director
Lieut-Colonel Andrew McCombe
Lieut-Colonel Beverley McCombe
Lieut-Colonel Dean Pallant
Lieut-Colonel Judith Payne
Major Noreen Batt
Major Judith Hilditch
Helen O'Brien
Mark Puller
Peter Gale
Graham Roper (until 19.09.21)
Andrew Stickland

The Chief Secretary, Colonel Paul Main, is responsible for the day-to-day management of the charity.

Committee Members (current)

Territorial Operations Board

Colonel Paul Main (Chair), Commissioner Gillian Cotterill, Tony Daniels, Major Mal Davies, Miguel Fiallos, Peter Grant, Major Judith Hilditch, Lorrita Johnson, Lieut-Colonel Andrew McCombe, Lieut-Colonel Beverley McCombe, Mitch Menagh, Alex O'Hara, Lieut-Colonel Dean Pallant, David Rice, Lieut-Colonel Alan Read, Julius Wolff-Ingham

Audit Committee

Andrew Stickland (Chair), Stephen Bright, Hannah Greenfield, Mike Grills

Investment Advisory Committee

Peter Gale (Chair), Mark Colton, William Dalziel, Major Judith Hilditch, Mary Haly, Major Beverly Lloyd, Lieut-Colonel Alan Read, Philip Rotherham, Daniel Wills

Nominations Committee

Peter Gale, Colonel Paul Main, Lieut-Colonel Alan Read, Elliot Thomas

Risk Management Committee

Helen O'Brien (Chair), Lieut-Colonel Andrew McCombe, Lieut-Colonel Beverley McCombe, Lieut-Colonel Dean Pallant, David Rice, Lieut-Colonel Alan Read, Major Elwyn Harries, Elliot Thomas, Daniel Wills, Major Julian Watchorn, Julius Wolff-Ingham

Company Secretary

Elliot Thomas is Company Secretary of The Salvation Army Trustee Company.

ADVISERS

Bankers

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

Auditors

Knox Cropper LLP, Chartered Accountants, 65 Leadenhall Street, London EC3A 2AD

Solicitors

England and Wales: Slaughter and May, 1 Bunhill Row, London EC1Y 8YY

Scotland: Blackadders, 5 Rutland Square, Edinburgh EH1 2AX

Investment Advisers

BWCI Consulting Limited, PO Box 68, Albert House, South Esplanade, St Peter Port, Guernsey GY1 3BY

Investment Managers

Cazenove Capital Management, 12 Moorgate, London EC2R 6DA

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

Legal & General Investment Ltd, One Coleman Street, London, EC2R 5AA

Independent Auditors Report to the Salvation Army Trustee Company, the Managing Trustee

Opinion

We have audited the consolidated financial statements of The Salvation Army Social Work Trust Group for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Balance Sheets, the Consolidated Statement of Cash Flows and the related notes. 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:

- a) give a true and fair view of the state of The Salvation Army Social Work Trust group and parent charity's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, for the year then ended;
- b) have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- c) have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustees Investment (Scotland) Act 2005 and Regulation 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information.

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

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

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

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

Responsibilities of trustee

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144(1) of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified the legal requirements to comply with this legislation including the requirement to correctly account for restricted funds. The Charity is also required to comply with the Health and Social Care Act and the regulations issued thereunder and compliance with the standards issued by the Care Quality Commission is a key issue.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for restricted funds and to comply with the care quality standards, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.

- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions. We also reviewed reports and ratings published for the most recent Care Quality Commission inspections to ensure that there were no cases of non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the charity's 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 the charity's trustees as a body, for our audit work, for this report or for the opinions we have formed.



65 Leadenhall Street
London EC3A 2AD

Knox Cropper LLP
Chartered Accountants
Registered Auditors

10 December 2021

Knox Cropper LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

The Salvation Army Social Work Trust

Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Note	Endowments £000	Restricted £000	Unrestricted £000	2021 Total £000	2020 Total £000
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies						
Grants receivable: TSA Trust		-	-	16,000	16,000	16,000
Donations		-	2,923	1,222	4,145	2,444
Legacies		-	1,098	70	1,168	1,018
		-	4,021	17,292	21,313	19,462
Charitable Activities						
Centres' operations	2	-	6,510	66,818	73,328	75,687
Other social operations	3	-	2,107	49,584	51,691	36,167
Housing Association turnover	12	-	24,714	-	24,714	26,368
		-	33,331	116,402	149,733	138,222
Investments	4	-	242	1,254	1,496	2,741
Other						
Gains on disposal of fixed assets	5	-	(539)	703	164	5
TOTAL INCOME		-	37,055	135,651	172,706	160,430
EXPENDITURE ON:						
Raising Funds						
Investment management costs		-	-	50	50	50
		-	-	50	50	50
Charitable Activities						
Centres' operations	7	-	3,970	82,366	86,336	100,762
Other social operations	8	-	1,237	52,726	53,963	40,636
Housing Association operating costs	12	-	21,833	-	21,833	28,203
		-	27,040	135,092	162,132	169,601
TOTAL EXPENDITURE	9	-	27,040	135,142	162,182	169,651
Net Gains/(Losses) on Investments	16	3,125	(631)	21,431	23,925	(7,628)
NET INCOME/(EXPENDITURE)		3,125	9,384	21,940	34,449	(16,849)
Transfers between Funds *	21/22	-	(2,986)	2,986	-	-
Other Recognised Gains/(Losses)						
Actuarial Gains/(Losses) on Defined Benefit Pension Schemes	12	-	(2,583)	-	(2,583)	2,620
NET MOVEMENT IN FUNDS		3,125	3,815	24,926	31,866	(14,229)
RECONCILIATION OF FUNDS:						
	20/21/22					
Total Funds brought forward		12,713	240,151	64,934	317,798	332,027
TOTAL FUNDS CARRIED FORWARD		15,838	243,966	89,860	349,664	317,798

All income and expenditure has arisen from continuing activities. £33,050k of the net income of funds disclosed above arises in the parent charity (2020: net expenditure of £16,018k). *Transfers between funds arise from property transactions, because all funds expended on property assets are reflected as restricted funds, net of funding of homeless and older people's services centres from legacy funds.

BALANCE SHEET

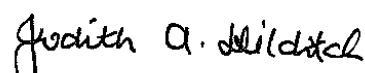
AS AT 31 MARCH 2021

	Note	Group		Parent	
		2021 £000	2020 £000	2021 £000	2020 £000
FIXED ASSETS					
Tangible Fixed Assets					
Properties	13	195,477	198,933	76,422	75,624
Property schemes in progress	14	4,671	2,457	4,370	2,159
Motor vehicles and equipment	15	239	732	205	138
Investments	16	152,965	129,039	123,914	99,039
TOTAL FIXED ASSETS		353,352	331,161	204,911	176,960
CURRENT ASSETS					
Stocks		130	105	130	105
Debtors and prepayments	17	12,373	15,534	10,909	13,495
Short-term deposits		10,727	13,914	10,727	13,914
Bank balances and cash		37,848	23,950	24,460	14,830
		61,078	53,503	46,226	42,344
CREDITORS: Amounts falling due within one year	18(a)	(32,153)	(33,132)	(25,243)	(26,460)
NET CURRENT ASSETS		28,925	20,371	20,983	15,884
TOTAL ASSETS LESS CURRENT LIABILITIES		382,277	351,532	225,894	192,844
Creditors: Amounts falling due outside one year	18(b)	(28,424)	(31,712)	-	-
Defined Benefit Pension Scheme Liability	11(c)	(4,189)	(2,022)	-	-
TOTAL NET ASSETS		349,664	317,798	225,894	192,844
FUNDS					
Endowment Funds	20	15,838	12,713	15,838	12,713
Restricted Funds	21				
Social Work Fund		76,422	75,624	76,422	75,624
Other Restricted Funds		167,544	164,527	43,774	39,573
		243,966	240,151	120,194	115,197
Unrestricted Funds	22	89,860	64,934	89,860	64,934
TOTAL FUNDS	23	349,664	317,798	225,894	192,844

Approved on behalf of The Salvation Army Trustee Company on 10 December 2021 by:



Lieut-Colonel Alan Read (Director)



Major Judith Hilditch (Director)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net Cash provided by/(used in) operating activities	25		15,675		13,151
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment and rental income		1,496		2,741	
Additions to properties		(1,518)		(1,806)	
Additions to motor vehicles and equipment		(179)		(505)	
Additions to property schemes in progress		(2,543)		(9,679)	
Proceeds on disposal of motor vehicles and equipment		437		72	
Purchase of investments		-		(24)	
Proceeds on disposal of properties		648		194	
Management of short-term deposits		3,187		6,232	
Net Cash provided by investing activities			1,528		(2,775)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Interest payable		(1,037)		(1,249)	
(Decrease)/Increase in Bank Loans		(2,268)		(1,998)	
Net Cash provided by/(used in) financing activities			(3,305)		(3,247)
Change in Cash and Cash Equivalents in the year			13,898		7,129
Cash and Cash Equivalents at the beginning of the year			23,950		16,821
Cash and Cash Equivalents at the end of the year			<u>37,848</u>		<u>23,950</u>

ANALYSIS OF CHANGES IN NET DEBT

	Balance 1 April 2020 £000	Cash- Flows £000	Net Loan Repayments £000	Balance 31 March 2021 £000
Cash at Bank	23,950	13,898	-	37,848
Loans falling due within one year	(1,552)	-	(13)	(1,565)
Loans falling due after more than one year	(29,952)	-	2,281	(27,671)
	<u>(7,554)</u>	<u>13,898</u>	<u>2,268</u>	<u>8,612</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements for the Social Work Trust, which have been consistently applied (except where indicated), are as follows:

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, subject to the inclusion of certain financial instruments and investment properties at fair value and donated properties at valuation on acquisition, and are in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition - October 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', The Salvation Army Act 1980, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of The Salvation Army Social Work Trust to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements and has considered the continued impact of the Covid-19 pandemic. Much of the activity within the Social Work Trust involves supporting vulnerable people and therefore this work has continued throughout this financial year. The Trust has continued to provide safe places for homeless people to live, residential care for elderly people, safe places for trafficked people, online employment services and debt advice. The income for the Social Work Trust has increased as compared to pre pandemic, although income for residents in our lifehouses is slightly reduced due to the continued requirement to reduce occupancy for social distancing compliance. In our Contracted services there have been grants and extra payments made by Local Authorities to support the extra costs of PPE, extra cleaning, and the need for Agency workers to cover staff who had to self-isolate, shield or who caught COVID 19. Restricted legacies and reserves have been reviewed and where possible, used to further support the work of the Trust. This has resulted in the continued good work of the Social Work Trust and given confidence that the work is financially stable for the coming years.

On the basis of the above, the trustee has concluded that there is no material uncertainty about the Trust's ability to meet its debts as they fall due for at least 12 months following approval of the financial statements and therefore continues to adopt the going concern basis in preparing its financial statements.

(b) Basis of Consolidation

The accounts of The Salvation Army Social Work Trust Group consolidate the accounts using the acquisition method.

(c) Key judgements and estimates used in preparing these financial statements

i. Financial instrument classification

The classification of financial instruments as 'basic' or 'other' requires judgement as to whether all applicable conditions as basic are met. This includes consideration of the form of the instrument and its return. It also includes the review of existing financial liabilities, such as loan agreements, to assess whether any modifications to the agreement will affect the classification of the instrument and its possible re-measurement. All financial instruments, including loans, are classified as 'basic'.

ii. Capitalisation of property improvement and development costs

Property improvement and development schemes are reviewed to ascertain whether expenditure should be capitalised or charged to the Statement of Financial Activities. Expenditure which enhances the social use of the property or improves its economic return is capitalised. Expenditure which repairs a property and brings it back to its original condition is written off.

iii. Useful lives of property, motor vehicles and equipment

The remaining useful lives of depreciable assets are reviewed by management at each reporting date and, if necessary, the depreciation charge adjusted accordingly.

iv. Bad debt provision

Gross debtor balances are regularly reviewed by management and where they assess that there is sufficient doubt as to recoverability a provision is made. In particular, accommodation charges outstanding are reviewed on a line-by-line basis and the provision is based on a number of factors including the age of the debt.

v. Defined Benefit Obligation

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 11(c)). The net defined benefit pension obligation at 31 March 2021 was £4,189,000.

vi. Identification and valuation of investment properties

The Group's property portfolio is reviewed annually to identify investment properties, which are those properties held to earn income or for capital appreciation rather than to be used for its charitable purposes. Properties no longer used for charitable purposes but retained until market conditions allow their disposal are not treated as investment properties, provided disposal is intended within a reasonable time scale.

After initial recognition, investment property is measured at its fair value based either on valuation by The Salvation Army Property Department or by an independent valuer. In either case the valuer will hold a recognised and relevant professional qualification. The property will be valued at each subsequent reporting date.

(d) Income

- i. Donations and Legacies:** Donations, including the gross equivalent of those made under Gift Aid, and legacies are brought into account in the year of receipt. Accrual is made for any material legacies outstanding at the year end provided their values can be measured reliably.
- ii. Grants receivable** are recognised on an accruals basis. Grants received for the acquisition or development of properties are credited to restricted funds when they are receivable providing any conditions attaching to the grants have been fulfilled. Where, at the balance sheet date, conditions remain unfulfilled, the grants are deferred pending satisfaction of these conditions. Depreciation on the properties is charged to restricted funds.
- iii. Investment Income:** Dividends and interest are brought into account gross in the year they are due.
- iv. Realised gains on disposal** of assets are reflected in the Statement of Financial Activities in the year of disposal. Profits on disposal of investments are calculated by reference to their carrying value in the preceding year's audited accounts or cost if purchased during the current year.

(e) Expenditure

i. Total expenditure includes:

Charitable Activities costs reflect all expenditure relating directly to the objects of the charity, attributable overheads and allocation of governance costs. Attributable overheads are allocated over the range of charitable activities on an actual basis where possible and on a basis which is consistent with the utilisation of resources otherwise.

Governance Costs reflect the costs incurred under the governance arrangements of the charity which consist of the costs of complying with legislation including audit, legal services and strategic planning. These costs are then allocated to charitable activities on a basis consistent with the utilisation of resources.

- ii. **Expenditure is charged** on the accruals basis.
- iii. **Irrecoverable Value Added Tax** is charged to the related heads of expenditure.
- iv. **Pension and Similar Costs**

The Salvation Army Social Work Trust contributes to three pension or similar schemes in respect of its staff:

- The Salvation Army Retired Officers Allowance Fund relating to Salvation Army officers; and
- The Salvation Army Employees Pension Fund for other staff
- A defined contribution scheme.

The Salvation Army Retired Officers Allowance Fund is a registered charity and operates on the same basis as a defined benefit scheme but the benefits are not guaranteed. A standard annual contribution per unit is made to the Retired Officers Allowance Fund, which is charged in the accounts in the year in which payment is made.

The Salvation Army Employees Pension Fund is a defined benefit pension scheme which was closed to new members on 31 December 2011. The scheme is a multi-employer scheme and the actuary has confirmed that it is not practical to allocate the assets and liabilities of the scheme between participating employers. Pension costs are therefore reflected in the accounts when payments to the pension scheme fall due. The charity also recognises any contractual liability to fund a past service deficit as agreed with the Pension Scheme Trustees. Any resulting expense will be reflected through the Statement of Financial Activities. When the contribution is not expected to be settled prior to 12 months after the year end the full liability is recognised at the present value of the contributions payable using a discounted rate. No such contractual liability existed at the current year end.

Since 1st January 2012, employees can join a defined contribution scheme.

The Salvation Army Housing Association (saha) participates in the following pension schemes -

- Social Housing Pension Scheme, a multi-employer defined benefit scheme. Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses. The net defined benefit pension obligation at 31 March 2021 was £4,189,000.
- The auto-enrolment SHPS defined contribution pension scheme, the contributions on which are charged when payments to the pension scheme fall due.
- The Pension Trust Growth Plan, a multi-employer defined benefit scheme. The pension charge represents the amounts payable by the company to the scheme in respect of the year. In the past, this scheme included a defined benefit element as the pensions were index linked, so where there is a contractual obligation to make payments under a deficit reduction plan in respect of the former defined benefit element of the scheme, this has been recognised as a liability in full in the financial statements.

(f) Fixed Assets

- i. **Expenditure on the acquisition or improvement of property** is reflected as a fixed asset, whereas costs of repairs and renewals to property are charged to the Statement of Financial Activities. The non-capital element of property schemes is written off in the year in which costs are incurred. All properties are disclosed at cost less accumulated depreciation other than saha properties at the dates of acquisition (19 January 2011 and 23 March 2017) which were brought into account at those dates at fair values (being an existing use social housing valuation (EUV - SH) prepared by independent chartered surveyors). These properties are subsequently depreciated at the rates indicated below.
- ii. **Expenditure on the acquisition of vehicles** is capitalised and expenditure on computer equipment and other office equipment which exceeds £15,000 in value is capitalised and depreciated over its economic life. Any equipment acquired at centres is written off in the year of acquisition.

- iii. In accordance with FRS 102 component accounting has been adopted for Freehold and Long leasehold properties. A property comprises of major components with substantially different useful lives. Depreciation is charged on major components so as to write off the cost of the components to their residual values, over their estimated useful lives, using the straight-line method, as follows:

Freehold Land	Not depreciated
Building - Main Fabric (structure)	50 years
Major Components	
Roof structure and covering	50 years
Bathrooms and WCs	20-30 years
Lifts	25 years
Mechanical and Electrical Systems	25 years
Windows and External Doors	25 years
Kitchens	20 years

Short leasehold properties are depreciated over the term of the lease.

- iv. Depreciation is provided on other tangible fixed assets at the following rates:

Motor Vehicles	- 25%-33 pa on cost
Office Equipment	- 10-33% pa on cost

- v. Goodwill arising on acquisition is amortised on a straight line basis over the estimated useful life which has been estimated to be 10 years.
- vi. The Social Work Trust has achieved partnership status with the Homes and Communities Agency which means that it can access capital funds from this source to assist with the costs of schemes. saha has always been able to access this funding. Grants arising are credited to restricted income except where the income is subject to certain restrictions which remain unfulfilled at the accounting reference date, in which case the income is deferred. A proportion of the depreciation charge arising on the properties concerned is charged against these restricted funds.

(g) Investments & Investment Properties

To comply with the Charities SORP, investments are included at fair value (their market value).

Realised gains on investments are calculated as the difference between sales proceeds and the market value of those investments at the last balance sheet date, or cost if acquired during the year.

The Salvation Army Social Work Trust does not hold any investment properties. saha owns properties held for market rent or commercial lettings and these are included as investment properties and are recorded at fair value with changes in the market value reported annually in the statement of financial activities. The fair value of the investment property is determined by using a valuation undertaken by Savills, an independent professional valuer, or by members of staff with relevant experience.

(h) Stocks

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

(i) Funds

- i. **Endowments consist of** permanent endowments and expendable endowments. The capital of permanent endowments must by law be retained. Expendable endowments are funds which, although the capital and income is available to meet the objects of the Social Work Trust (subject to any donor-imposed restrictions), it is the Trustee's intention that the capital will be maintained.
- ii. **Social Work Fund represents** monies already expended on the acquisition, construction and improvement of freehold and leasehold properties.
- iii. **Restricted Funds are held for** restricted purposes, as specified by the donors. All saha funds are therefore reflected in the consolidated accounts as restricted funds.
- iv. **Unrestricted Funds include:**
 - Designated Reserves held for particular purposes designated by The Salvation Army in the exercise of its discretionary powers;
 - Unrealised Gains Reserve held to separate recognised gains still subject to market risk; and
 - General Reserve representing the net assets not designated for specific purposes.

(j) Foreign Currency Translation

Exchange gains and losses arising from overseas operations are dealt with through the Statement of Financial Activities and are reflected under Charitable Expenditure. Transactions in foreign currencies are translated at the rates prevailing at the beginning of the month whereas monetary assets and liabilities at the year end are translated at the closing rates.

2. CHARITABLE ACTIVITIES: CENTRE OPERATIONS

	2021					2020	
	Maintenance & Special Care Allowance £000	Supporting People £000	Other Contract Income £000	Local Authority & Other Grants £000	Catering & Miscellaneous Income £000	Total £000	Total £000
Social Services Centres							
Older People	11,924	-	-	21	-	11,945	13,434
Single Homeless	7,172	8,765	-	2,329	22	18,288	18,840
Family and Children	1,317	2,015	-	752	202	4,286	5,185
Day Care	242	220	-	69	13	544	756
Addictions	572	672	-	-	-	1,244	1,129
Probation	-	-	-	-	-	-	222
Other Non-Residential Programmes	23	1,009	-	1,531	466	3,029	4,046
	21,250	12,681	-	4,702	703	39,336	43,612
Housing Association Centres							
Older People	1,092	-	-	2	-	1,094	1,162
Single Homeless	19,918	9,938	-	1,286	68	31,210	28,870
Family and Children	732	557	-	77	5	1,371	1,353
Addictions	6	-	-	-	1	7	171
	21,748	10,495	-	1,365	74	33,682	31,556
Social Enterprise	-	30	-	75	205	310	519
Total 2021	42,998	23,206	-	6,142	982	73,328	75,687
Total 2020	44,810	23,688	-	3,495	3,694		75,687

£6,510,000 (2020: £4,141,000) of centres' revenue income represents contracts restricted income predominantly being funding received from local authorities to fund the activities at specific centres. Local Authority & Other Grants includes Government grants of £1.812m received in respect of the COVID-19 pandemic.

3. OTHER SOCIAL OPERATIONS

	Endowments	Restricted	Unrestricted	2021 Total	2020 Total
	£000	£000	£000	£000	£000
Employment Plus	-	4	3,144	3,148	1,568
Anti-Human Trafficking	-	2,103	46,250	48,353	34,380
Defence Services Operations	-	-	144	144	189
Family Tracing, Counselling etc	-	-	46	46	30
	-	2,107	49,584	51,691	36,167

4. INVESTMENTS

	Restricted	Unrestricted	2021 Total	2020 Total
	£000	£000	£000	£000
Dividends and Interest receivable	8	990	998	2,368
Rents receivable	234	264	498	373
	242	1,254	1,496	2,741

5. OTHER INCOME

	Endowments	Restricted	Unrestricted	2021 Total	2020 Total
	£000	£000	£000	£000	£000
Gain/(loss) on disposal of properties	-	(539)	699	160	3
Gain on disposal of motor vehicles and equipment	-	-	4	4	2
	-	(539)	703	164	5

6. ANALYSIS OF COSTS OF CHARITABLE ACTIVITIES

	Endowments	Restricted	Unrestricted	2021 Total	2020 Total
	£000	£000	£000	£000	£000
Centres' Operations (Note 7)	-	3,970	82,366	86,336	100,762
Other Social Operations (Note 8)	-	1,237	52,726	53,963	40,636
saha Operating Costs (Note 12)	-	21,833	-	21,833	28,203
	-	27,040	135,092	162,132	169,601

7. ANALYSIS OF CENTRES' OPERATIONS COSTS

	2021						2020
	Salaries & Other Staff Costs £000	Catering, Cleaning & Other Services £000	Other Operating Costs £000	Property & Furnishings £000	Support Costs £000	Governance Costs £000	Total £000
Social Services Centres							
Older People	11,059	1,342	710	1,698	750	33	17,257
Single Homeless	11,862	823	3,679	2,257	2,235	45	25,338
Family and Children	2,842	58	202	752	727	9	6,855
Day Care Centres	454	35	83	174	131	2	904
Addictions	1,207	17	61	160	208	3	1,412
Probation	-	-	-	-	-	-	256
Other Non-Residential Programmes	3,492	287	351	588	837	11	8,111
	<u>30,916</u>	<u>2,562</u>	<u>5,086</u>	<u>5,629</u>	<u>4,888</u>	<u>103</u>	<u>60,133</u>
Housing Association Centres							
Older People	862	120	62	79	168	3	1,569
Single Homeless	14,597	3,217	1,331	3,627	10,719	68	36,124
Family and Children	812	20	92	206	497	3	1,696
Addictions	9	3	-	-	1	-	254
	<u>16,280</u>	<u>3,360</u>	<u>1,485</u>	<u>3,912</u>	<u>11,385</u>	<u>74</u>	<u>39,643</u>
Social Enterprise	353	99	10	84	109	1	986
Total Costs 2021	<u>47,549</u>	<u>6,021</u>	<u>6,581</u>	<u>9,625</u>	<u>16,382</u>	<u>178</u>	<u>100,762</u>
Total Costs 2020	<u>49,356</u>	<u>6,340</u>	<u>6,582</u>	<u>14,654</u>	<u>23,675</u>	<u>155</u>	<u>100,762</u>

Governance costs include external audit fees, inclusive of VAT, of £178,000 (2020: £155,000).

£3,970,000 (2020: £15,064,000) of centres' operations costs are funded from restricted funds.

Other Non-Residential Programmes expenditure in the above table includes expenditure of £0.95 million (2020: £1.74m) for Strawberry Field and £0.91 million (2020: £1.6m) for Hadleigh Farm.

7. ANALYSIS OF CENTRES' OPERATIONS COSTS (Cont.)

Support Costs consist of:	2021 £	2020 £
Centres' Support Costs	10,492	15,163
Other Support Costs		
Personnel	868	1,255
Business Administration	3,450	4,986
Communications	549	793
Secretariat	952	1,376
Mission Service Management	71	102
	16,382	23,675

8. OTHER SOCIAL OPERATIONS

	Endowments £000	Restricted £000	Unrestricted £000	2021 Total £000	2020 Total £000
Employment Plus	-	49	3,354	3,403	3,314
Anti-Human Trafficking	-	1,182	47,047	48,229	35,149
Defence Services Operations	-	-	260	260	201
Family Tracing, Counselling, etc	-	6	2,065	2,071	1,972
	-	1,237	52,726	53,963	40,636

Employment Plus includes a number of matched funding contracts. As part of these contracts The European Commission funds 50% of the total expenditure and the other 50% is matched by The Salvation Army and charged against the Social Work Trust's reserves.

9. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs £000	Depreciation £000	Other Costs £000	2021 Total £000	2020 Total £000
Raising funds	-	-	50	50	50
Charitable activities	64,479	4,959	92,694	162,132	169,601
	64,479	4,959	92,744	162,182	169,651

10. PERSONNEL

	2021 Parent £000	2020 Parent £000	2021 Subsidiary £000	2020 Subsidiary £000	2021 Total £000	2020 Total £000
Allowances and salaries	42,303	41,271	8,722	9,569	51,025	50,840
Social security costs	3,617	3,434	637	702	4,254	4,136
Pension and similar costs	3,324	3,302	810	838	4,134	4,140
Redundancy costs	1	3	51	195	52	198
	49,245	48,010	10,220	11,304	59,465	59,314

Redundancy Costs

Redundancy costs relating to employees in the Social Work Trust, including saha, amounted to £51,950 (2020: £197,247). These costs are the result of staff restructuring at centres and closure of centres. Redundancy costs are recognised once a decision to make a post redundant has been communicated to an individual or the workforce.

The average number of officer and employees and full time equivalent (FTE) officers and employees was:

	2021 Headcount No.	2021 FTE No.	2020 Headcount No.	2020 FTE No.
Trust				
Number of officers	86	82	97	85
Number of employees	2,210	1,619	2,182	1,577
	2,296	1,701	2,279	1,662
Subsidiary	330	217	358	236
Total	2,626	1,918	2,637	1,898

Higher-Paid Employees

The following indicates the number of the group's employees earning between:

	2021 Parent No.	2021 Subsidiary No.	2021 Total No.	2020 Total No.
£60,001 - £70,000	4	-	4	5
£70,001 - £80,000	4	4	8	5
£80,001 - £90,000	-	1	1	1
£90,001 - £100,000	3	-	3	1
£100,001 - £110,000	-	1	1	-
£110,001 - £120,000	-	-	-	3
£120,001 - £130,000	-	-	-	-
£130,001 - £140,000	-	-	-	-
£140,001 - £150,000	-	1	1	1
£150,001 - £160,000	-	-	-	1
£180,001 - £190,000	-	-	-	1
	11	7	18	18

The directors of The Salvation Army Trustee Company comprise Salvation Army officers and employees and other external directors with specialist expertise. All active Salvation Army officers receive an allowance based on length of service and, as ministers of religion, are provided with furnished accommodation and a motor vehicle. They are also members of the Salvation Army Retired Officers Allowance Fund. The allowances received by the officers serving as directors ranged from £18,148.92 to £24,249.88 per annum and they did not receive any additional remuneration for their duties as directors. No allowances or salaries paid to any of the directors are charged direct to the Social Work Trust.

No trustees' expenses were charged to the Social Work Trust.

The costs of indemnity insurance, to protect The Salvation Army Trustee Company directors against claims for neglect or default, were borne by the The Salvation Army Trust.

Certain directors of saha are remunerated. Lieut-Colonel Drew McCombe is a director of both saha and of The Salvation Army Trustee Company. He is remunerated £4,000 which is donated to The Salvation Army Trustee Company.

Key Management Personnel

The key management personnel of the Trust are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly, including the directors of The Salvation Army Trustee Company as the Corporate Trustee of the Trust. The Trustee considers the key management personnel of the Trust to be the executive directors (officers and employees) of the Board. The total aggregate remuneration, including pension contributions, paid to key management personnel during the year was £222,784 (2020: £233,142). As detailed above, no allowances or salaries paid to any of the directors are charged directly to the Social Work Trust.

11. PENSION AND SIMILAR COSTS

The Salvation Army Social Work Trust contributes to three pension or similar schemes in respect of its staff:

- i. The Salvation Army Retired Officers Allowance Fund relating to Salvation Army officers,
- ii. The Salvation Army Employees Pension Fund for other staff,
- iii. A defined contribution scheme set up to offer employees who are not members of the Salvation Army Employees Pension Fund the opportunity to join a pension scheme following the closure of the Employee Pension Scheme to new members with effect from 31 December 2011.

Amounts charged in respect of pension fund contributions for the year are disclosed in Note 10 above.

(a) SALVATION ARMY RETIRED OFFICERS ALLOWANCE FUND

The Salvation Army Retired Officers Allowance Fund was established by The Salvation Army Act 1963 under the legal name, The Salvation Army Officers Pension Fund. It is a registered charity and operates on the same basis as a defined benefit scheme, but the benefits are not guaranteed. It is non-contributory by the officer, but a contribution per officer, at present £4,860 per annum (2020: £4,740), is made by The Salvation Army. Officers in both principal Trusts (The Salvation Army Trust and The Salvation Army Social Work Trust) participate in the scheme and it is not possible to allocate the assets and constructive liabilities of the Fund between the Trusts. Therefore, the Fund is accounted for in a similar way as a multi-employer pension fund.

The Salvation Army Retired Officers Allowance Fund was subject to a triennial actuarial review on 31 March 2019, using the Attained Age Method, and this was based on the following principal assumptions:

Post-Retirement Discount Rate	2.7% per annum
Pre-Retirement Discount Rate	3.4% per annum
Rate of Increase in Allowances and Pensions	4.1% per annum
Rate of Inflation	3.6% per annum

The market value of the Fund's assets at the valuation date amounted to £231.6m whereas the value of past service ongoing liabilities amounted to £238.8m revealing a funding shortfall of £7.2m.

A recovery plan was agreed whereby the contribution per officer was increased to £4,860 per annum, from 1 April 2020, and The Salvation Army Trust would make an annual capital contribution to the scheme of £2m over a period of approximately 13 years. In practice, capital contributions in excess of this amount are being paid in order to fund the deficit over a shorter period of time and in 2020/21 the capital contribution paid by The Salvation Army Trust was £4m (2019/20 £4m).

Although the pension benefits are not guaranteed, they do represent a constructive liability as there are expectations that the pensions will be paid. Therefore, a provision is made in the financial statements of The Salvation Army Trust for the total discounted value of the future capital contributions which it has agreed to pay. At the year end, The Salvation Army Trust had fully paid the deficit contributions which it had agreed to pay and had paid an additional amount in advance amounting to £621,000. As this will reduce the requirement for future contributions, this amount has been accounted for in The Salvation Army Trust's financial statements as a payment in advance within debtors.

(b) SALVATION ARMY EMPLOYEES' PENSION FUND

The Salvation Army Employees' Pension Fund is a funded defined benefit scheme. The contribution rate payable by members is 8% of pensionable salaries and the employer's contribution is 23.9% of pensionable salaries.

The Scheme is a multi-employer scheme incorporating six employers. It closed to new members with effect from 31 December 2011. The actuary has confirmed that it is not practical to allocate the assets and liabilities of the scheme between participating employers and therefore it is accounted for as a multi-employer scheme.

The Scheme is subject to triennial actuarial valuations. The last actuarial valuation was completed, using the Projected Unit Method, at 31 March 2018.

The review was based on the following assumptions:

Post-retirement discount rate	2.3% per annum
Pre-retirement discount rate	3.8% per annum
Rate of salary increases	4.0% per annum
Rate of pension increase:	
On pensions accrued before 6 April 2006	3.4% per annum
On pensions accrued after 6 April 2006	2.3% per annum
Inflation: RPI	3.5% per annum
CPI	2.75% per annum
Deferred Pension Increases (pre 6 April 2009)	2.75% per annum
Deferred Pension increases (post 6 April 2009)	2.5% per annum

The market value of the Fund's assets on the valuation date was £167.8m and the value of technical provisions amounted to £178.4m giving rise to a funding shortfall of £10.6m.

The trustees and employers agreed a recovery plan to eliminate the shortfall which involved lump sum payments into the fund by each of the employers. The amount payable by The Salvation Army Trust amounted to £3.6m and this was fully accounted for in the 2018/19 financial year.

(c) SOCIAL HOUSING PENSION SCHEME (SHPS)

saha participates in SHPS, a multi-employer pension scheme which provides benefits to non-associated participating employers. The scheme is classed as a defined benefit scheme in the UK. The scheme is classified as a 'last man standing' arrangement. Therefore, saha is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

Under the defined benefit pension accounting approach, the SHPS net deficit as at 1 April 2020 is £2,022k and £4,189k as at 31 March 2021.

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET/(LIABILITY)

	2021 £000	2020 £000
Fair value of plan assets	17,257	15,592
Present value of defined benefit obligation	(21,446)	(17,614)
Surplus/(deficit) in plan	(4,189)	(2,022)
Deferred tax	-	-
Net defined benefit asset/(liability) to be recognised	(4,189)	(2,022)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	2021 £000	2020 £000
Defined benefit obligation at start of period	17,614	19,259
Current service cost	-	(25)
Expenses	13	13
Interest expense	414	437
Contributions by plan participants	-	25
Actuarial losses/(gains) due to scheme experience	(386)	1,103
Actuarial losses/(gains) due to changes in demographic assumptions	77	(175)
Actuarial losses/(gains) due to changes in financial assumptions	4,139	(2,384)
Benefits paid and expenses	(425)	(639)
Defined benefit obligation	21,446	17,614

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	2021 £000	2020 £000
Fair value of plan assets at start of period	15,592	14,211
Interest income	371	326
Experience on plan assets (excluding amounts included in interest income) - gain/(loss)	1,247	1,164
Contributions by the employer	472	505
Contributions by plan participants	-	25
Benefits paid and expenses	(425)	(639)
Fair value of plan assets at end of period	17,257	15,592

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £1,618,000 (2020: £1,490,000).

**DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT
OF FINANCIAL ACTIVITIES**

	2021 £000	2020 £000
Current service cost	-	(25)
Expenses	13	13
Net interest expense	43	111
Total expense	56	99

**DEFINED BENEFIT COSTS RECOGNISED IN OTHER RECOGNISED
GAINS AND LOSSES**

	2021 £000	2020 £000
Experience on plan assets (excluding amounts included in net interest cost) - gain/(loss)	1,247	1,164
Experience gains and losses arising on the plan liabilities - gain/(loss)	386	(1,103)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain/(loss)	(77)	175
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain/(loss)	(4,139)	2,384
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain/(loss)	(2,583)	2,620
Total amount recognised in other recognised gains/(losses)	(2,583)	2,620

ASSETS

	2021 £000	2020 £000
Global Equity	2,750	2,281
Absolute Return	952	813
Distressed Opportunities	498	300
Credit Relative Value	543	428
Alternative Risk Premia	650	1,090
Fund of Hedge Funds	2	9
Emerging Markets Debt	697	472
Risk Sharing	628	527
Insurance-Linked Securities	414	479
Property	358	343
Infrastructure	1,151	1,160
Private Debt	412	314
Opportunistic Liquid Credit	439	377
High Yield	517	-
Opportunistic Credit	473	-
Corporate Bond Fund	1,020	889
Liquid Credit	206	6
Long Lease Property	338	270
Secured Income	718	592
Liability Driven Investment	4,386	5,175
Net Current Assets	105	67
Total assets	17,257	15,592

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

KEY ASSUMPTIONS

	2021 % per annum	2020 % per annum
Discount Rate	2.17%	2.38%
Inflation (RPI)	3.28%	2.62%
Inflation (CPI)	12.86%	1.62%
Salary Growth	3.86%	2.62%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	25.1

EMPLOYER PENSION CONTRIBUTIONS

	2021 £000	2020 £000
Defined benefit employer contributions including deficit contributions	473	505
Growth Plan deficit contributions	29	29
Auto-enrolment & SHPS Defined contribution including deficit contribution	308	304
	810	838

The defined benefit pension costs for Salvation Army Housing Association was £472,175 (2020: £505,204). The pension cost is assessed in accordance with the advice of a qualified actuary using the Projected Unit Fund Method and is not materially different from that arising from the current employer's contribution rate.

(d) THE GROWTH PLAN

saha participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, saha is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum - (payable monthly and increasing by 3% each on 1 April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum - (payable monthly and increasing by 3% each on 1 April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum - (payable monthly and increasing by 3% each on 1 April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the group has agreed to a deficit funding arrangement the group recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUE OF PROVISION

	2021 £000	2020 £000	2019 £000
Present value of provision	120	142	172

RECONCILIATION OF OPENING AND CLOSING CREDITOR

	2021 £000	2020 £000
Provision at start of period	142	172
Unwinding of the discount factor (interest expense)	3	2
Deficit contribution paid	(29)	(28)
Remeasurements - impact of any change in assumptions	4	(4)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	120	142

INCOME AND EXPENDITURE IMPACT

	2021 £000	2020 £000
Interest expense	3	2
Remeasurements - impact of any change in assumptions	(4)	(4)
Remeasurements - amendments to the contribution schedule	-	-

ASSUMPTIONS

	2021 % per annum	2020 % per annum	2019 % per annum
Rate of discount	0.66	2.53	1.39

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the group and the scheme at each year end period:

	2021 £000	2020 £000	2019 £000
Year 1	30	29	29
Year 2	31	30	29
Year 3	32	31	30
Year 4	28	32	31
Year 5	-	28	32
Year 6	-	-	28
Year 7	-	-	-
Year 8	-	-	-
Year 9	-	-	-
Year 10	-	-	-

The group must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the group's balance sheet liability.

saha also allows the employees to pay additional voluntary contributions (AVCs) into their pension scheme. The amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the financial year. The contributions due in the year were £nil (2020: £nil).

AUTO-ENROLMENT

As a result of the introduction of pensions "auto-enrolment" by the Government, the cost of the new defined contribution scheme administered by SHPS was £288,644 (2020: £304,464) covering 302 employees (2020: 349 employees). This cost is inclusive of contributions in relation to the former SHPS Defined Benefit members who got transferred to the SHPS defined contribution scheme effective from 1 July 2019.

12. SALVATION ARMY HOUSING ASSOCIATION TURNOVER AND OPERATING COSTS

On 19 January 2011, pursuant to a change to saha's governing instrument (the new governing instrument obtaining FSA approval on that date), The Salvation Army Social Work Trust gained effective control of the Salvation Army Housing Association (saha).

The net assets of saha and its subsidiaries have been consolidated within these accounts. The net assets of the saha Group were, on acquisition, adjusted to fair values.

For the purpose of establishing fair values, saha's property portfolio was valued by an independent chartered surveyor on an existing use social housing (EUV - SH) basis.

saha's results, adjusted to reflect The Salvation Army Social Work Trust's accounting policies, were as follows.

	2021		2020	
	£000	£000	£000	£000
Turnover		24,714		25,744
Grants Received		-		624
		<u>24,714</u>		<u>26,368</u>
Operating Costs				
Staff Costs	(8,757)		(9,497)	
Other Costs*	(9,271)	(18,028)	(11,609)	(21,106)
		<u></u>	<u></u>	
Interest Payable		(1,037)		(1,249)
Property Depreciation		(2,756)		(5,831)
Tax		(12)		(17)
Gain/(Loss) on Disposal of Assets (Note 5)		(539)		-
Gain/(Loss) on revaluation of investment properties (Note 16)		(950)		975
Interest Receivable (Note 4)		7		29
Social Housing Pension Scheme (SHPS) Remeasurement of Obligation		-		-
Actuarial Gain/(Loss)		(2,583)		2,620
		<u>(1,184)</u>		<u>1,789</u>

*Other Costs includes temporary agency staff costs of £1,462,151 (2020: £1,807,062)

13. PROPERTIES

GROUP	Freehold £000	Leasehold £000	Total £000
Cost or Valuation			
Balance at 1 April 2020	208,202	50,857	259,059
Additions during the year	218	1,300	1,518
Schemes completed during the year (Note 14)	234	-	234
	<u>208,654</u>	<u>52,157</u>	<u>260,811</u>
Less: Disposals	(938)	(1,346)	(2,284)
	<u>207,716</u>	<u>50,811</u>	<u>258,527</u>
Balance at 31 March 2021			
Accumulated Depreciation			
Balance at 1 April 2020	44,424	15,702	60,126
Charge for the year	4,713	7	4,720
Less: Disposals	(133)	(1,663)	(1,796)
	<u>49,004</u>	<u>14,046</u>	<u>63,050</u>
Balance at 31 March 2021			
Net Book Value at 31 March 2021	<u>158,712</u>	<u>36,765</u>	<u>195,477</u>
Net Book Value at 31 March 2020	<u>163,778</u>	<u>35,155</u>	<u>198,933</u>

Both saha's portfolio (on 19 January 2011) and, saha's acquisition, Chapter 1's portfolio (on 23 March 2017) were brought into account at valuation, performed by independent chartered surveyors on an existing use social housing (EUV-SH) basis. All other properties are reflected at cost.

PARENT	Freehold £000	Leasehold £000	Total £000
Cost			
Balance at 1 April 2020	106,334	693	107,027
Additions during the year	3,131	-	3,131
Schemes completed during the year	234	-	234
	109,699	693	110,392
Less: Disposals	(432)	-	(432)
Balance at 31 March 2021	109,267	693	109,960
Accumulated Depreciation			
Balance at 1 April 2020	31,305	98	31,403
Charge for the year	2,165	17	2,182
Less: Disposals	(47)	-	(47)
Balance at 31 March 2021	33,423	115	33,538
Net Book Value at 31 March 2021	75,844	578	76,422
Net Book Value at 31 March 2020	75,029	595	75,624

All properties are used for charitable purposes. The market values of these properties are significantly higher than their book values but the costs of estimating these exceed any benefits accruing.

One property owned by the trust with costs of £6.521m, has attracted capital funding from the Department for Communities and Local Government totalling £5.422m. Should The Salvation Army dispose of this property, the grants received would be refundable unless the Secretary of State agrees otherwise.

Group properties and schemes in progress have attracted capital funding from Homes England of £150.521m (£17.174 million by the parent charity). Should these properties be sold, this amount will be repayable to Homes England (the amounts repayable being limited by the proceeds of sale) unless Homes England consent to this funding being recycled to other schemes.

Included within parent charity additions is the consideration paid for the surrender of property leases from the charity's subsidiary, saha. This transaction is removed on consolidation.

The Salvation Army, in common with other churches, provides ministers of religion (officers) and retired ministers of religion with accommodation and holds a portfolio of properties to allow it to do so.

Occasionally properties are not required immediately to provide accommodation to officers and retired officers and these, where possible, are let on short-term tenancies until required to accommodate officers. The Salvation Army does not consider these properties to be investment properties as their availability for use, other than for the work of the charity, is typically of limited duration.

14. PROPERTY SCHEMES IN PROGRESS

	GROUP		PARENT	
	2021 £000	2020 £000	2021 £000	2020 £000
Balance at 1 April 2020	2,457	10,456	2,159	9,055
Additions during the year	2,543	9,679	2,540	9,614
	5,000	20,135	4,699	18,669
Property schemes capitalised during the year	(234)	(13,725)	(234)	(12,733)
Scheme's revenue expenditure	(95)	(3,953)	(95)	(3,777)
Balance at 31 March 2021	4,671	2,457	4,370	2,159

15. MOTOR VEHICLES AND EQUIPMENT

GROUP	Motor Vehicles £000	Equipment £000	Total £000
	£000	£000	£000
Cost			
Balance at 1 April 2020	1,261	4,461	5,722
Additions during the year	87	92	179
Disposals	-	(2,899)	(2,899)
Balance at 31 March 2021	1,348	1,654	3,002
Accumulated Depreciation			
Balance at 1 April 2020	1,124	3,866	4,990
Charge for the year	20	219	239
Disposals	-	(2,466)	(2,466)
Balance at 31 March 2021	1,144	1,619	2,763
Net Book Value at 31 March 2021	204	35	239
Net Book Value at 31 March 2020	137	595	732

PARENT	Motor Vehicles £000	Equipment £000	Total £000
Cost			
Balance at 1 April 2020	1,219	-	1,219
Additions during the year	87	-	87
Disposals	-	-	-
Balance at 31 March 2021	1,306	-	1,306
Accumulated Depreciation			
Balance at 1 April 2020	1,081	-	1,081
Charge for the year	20	-	20
Disposals	-	-	-
Balance at 31 March 2021	1,101	-	1,101
Net Book Value at 31 March 2021	205	-	205
Net Book Value at 31 March 2020	138	-	138

16. INVESTMENTS

FIXED ASSET INVESTMENTS

GROUP AND PARENT	Unlisted £000	Units in CIF 1 £000	Units in CIF 2	Total £000
Cost/Market Value at 1 April 2020	5	2,867	96,167	99,039
Additions	-	-	-	-
Unrealised Gains/(Losses) on investments	-	638	24,237	24,875
Cost/Market Value at 31 March 2021	5	3,505	120,404	123,914

At 31 March 2021, units held in The Salvation Army Common Investment Fund No 1 had a unit value of £2.5966 (2020: £2.1236).

At 31 March 2021, units held in The Salvation Army Common Investment Fund No 2 had a unit value of £3.5374 (2020: £2.8251).

Salvation Army Social Work Trust holds one £1 share and has the power to control Salvation Army Housing Association (saha). The Salvation Army Housing Association is registered with the Co-operative and Community Benefit Societies Act 2014 and is a registered social landlord regulated by The Regulator of Social Housing. saha itself owns the whole of the issued share capital of Kingsown Limited and saha Developments Limited, companies incorporated in England. The results and net assets of saha, Kingsown and saha Developments have been consolidated within these accounts.

INVESTMENT PROPERTIES

	GROUP	
	2021 £000	2020 £000
Balance at 1 April 2020	30,000	29,000
Additions during the year	-	25
Property revaluation adjustment - increase/decrease in value	(950)	975
Investment property valuation at year end	29,050	30,000
Fixed Assets Investments (from above)	123,915	99,039
Total Investments	152,965	129,039

This property at Waterloo, London is used for student accommodation. The revaluation undertaken by Savills, professional external valuers, at 31 March 2021 has resulted in a decrease in the property valuation, and this decrease has been recognised through the revaluation reserve for investment properties. This valuation has been carried out on the basis of no on-going COVID-19 restrictions.

17. DEBTORS AND PREPAYMENTS

	GROUP		PARENT	
	2021 £000	2020 £000	2021 £000	2020 £000
Accommodation charges outstanding	916	2,385	636	2,192
Sundry debtors and accrued income	11,457	13,149	10,273	11,303
	12,373	15,534	10,909	13,495

18. (a) CREDITORS: Amounts falling due within one year

	GROUP		PARENT	
	2021 £000	2020 £000	2021 £000	2020 £000
Trade creditors and accruals	15,435	14,389	12,485	11,524
Deferred Income	2,651	5,963	256	3,708
Tax and Social Security	4,784	4,401	4,784	4,401
Connected Salvation Army Trusts and Companies	7,718	6,827	7,718	6,827
Bank Loans repayable within one year (Note 18(b))	1,565	1,552	-	-
	32,153	33,132	25,243	26,460

18. (b) CREDITORS: Amounts falling due after more than one year

	GROUP		PARENT	
	2021 £000	2020 £000	2021 £000	2020 £000
Multi-Employer Pension Scheme (note 12(d))	120	142	-	-
Recycled Social Housing Grant	633	1,618	-	-
Loans repayable between 1 & 2 years	1,528	1,561	-	-
Loans repayable between 3 to 5 years	10,939	11,108	-	-
Loans repayable over five years	15,204	17,283	-	-
	28,424	31,712	-	-

Housing loans from private sources are secured by charges on saha specific housing properties and are repayable between 2021 and 2044 at varying rates of interest between 0.89% and 11.50%.

19. OPERATING LEASES

	GROUP		PARENT	
	2021 £000	2020 £000	2021 £000	2020 £000
The Group has future minimum lease commitments of:				
Land and Buildings				
Within one year	235	234	-	-
One to five years	137	316	-	-
Over five years	50	62	-	-
	422	612	-	-
Other operating leases				
Within one year	195	298	-	-
One to five years	604	124	-	-
Over five years	145	23	-	-
	944	445	-	-

20. ENDOWMENTS

GROUP AND PARENT	Balance 1 April 2020 £000	New Funds Received £000	Changes in Market Value of Investments £000	Transfers £000	Balance 31 March 2021 £000
Expendable Endowment					
Xenia Field Capital Fund	11,275	-	2,841	-	14,116
Permanent Endowments					
H.M. Brant	20	-	-	-	20
J.B. Crighton	96	-	25	-	121
Miss M.B. Hill	35	-	-	-	35
C.J. and E.J. Melbourne	79	-	-	-	79
Blackmore Mission	1	-	-	-	1
M.J. Fowler	16	-	-	-	16
R. Pattison	14	-	-	-	14
Leeds Guardian Homes Trust	14	-	-	-	14
E.S. Brant Trust	1,009	-	225	-	1,234
Birmingham Girls Trust	154	-	34	-	188
	1,438	-	284	-	1,722
	12,713	-	3,125	-	15,838

The Expendable Endowment represents the Xenia Field Fund. Whilst the capital and income of the Fund can be expended on social work projects, it is the Trustee's intention that the capital be maintained.

Permanent Endowment funds represent bequests and donations, the capital of which cannot be expended but any income can be applied to social work projects without restriction.

The E.S. Brant Trust was established by a trust deed dated 16 June 1965. The annual income can be applied to the social work of The Salvation Army.

The Birmingham Girls Trust consists of endowment funds transferred from Birmingham City Council, the income on which can be applied for the benefit of girls in distress in the Birmingham area.

All endowment funds are represented by investments in The Salvation Army's Common Investment Funds.

31 March 2020

GROUP AND PARENT

	Balance 1 April 2019	New Funds Received	Changes in Market Value of Investments	Transfers	Balance 31 March 2020
	£000	£000	£000	£000	£000
Expendable Endowment					
Xenia Field Capital Fund	12,249	-	(974)	-	11,275
Permanent Endowments					
H.M. Brant	20	-	-	-	20
J.B. Crighton	107	-	(11)	-	96
Miss M.B. Hill	35	-	-	-	35
C.J. and E.J. Melbourne	79	-	-	-	79
Blackmore Mission	1	-	-	-	1
M.J. Fowler	16	-	-	-	16
R. Pattison	14	-	-	-	14
Leeds Guardian Homes Trust	14	-	-	-	14
E.S. Brant Trust	1,112	-	(103)	-	1,009
Birmingham Girls Trust	170	-	(16)	-	154
	1,568	-	(130)	-	1,438
	13,817	-	(1,104)	-	12,713

21. RESTRICTED FUNDS

GROUP	Balance 1 April 2020	Income and Movement in Market Value of Investments	Expenditure and Actuarial Movement on Defined Benefit Pension Scheme	Transfers From/(to) Unrestricted Reserves	Transfers between Restricted Funds	Balance 31 March 2021
	£000	£000	£000	£000	£000	£000
Social Work Fund	75,624	42	(2,614)	3,370	-	76,422
Other Restricted Funds						
Social Work projects including property funding	39,573	13,150	(2,593)	(6,356)	-	43,774
saha operations - property purposes	124,954	23,232	(24,416)	-	-	123,770
	164,527	36,382	(27,009)	(6,356)	-	167,544
	240,151	36,424	(29,623)	(2,986)	-	243,966

Social Work Fund represents sums already expended on the properties used by The Salvation Army in its social work throughout the United Kingdom.

Other Restricted Funds represents unexpended balances of donations and legacies held on trusts which can only be expended in accordance with the specific terms laid down by the donors.

All saha funds are treated as restricted in the group's accounts.

Transfers between funds arise from property transactions, because all funds expended on property assets are reflected as restricted funds, net of funding of homeless and older people's services centres from legacy funds. In addition, this year £7.482m has been transferred from restricted funds to the general fund to reimburse Strawberry Field project expenditure initially charged against general funds.

PARENT	Balance 1 April 2020 £000	Income and Movement in Market Value of Investments £000	Expenditure £000	Transfers From/(to) Unrestricted Reserves £000	Transfers between Restricted Funds £000	Balance 31 March 2021 £000
Social Work Fund						
Funding of properties for charitable purposes	75,624	42	(2,614)	3,370	-	76,422
Other Restricted Funds						
Social Work projects including property funding	39,573	13,150	(2,593)	(6,356)	-	43,774
	115,197	13,192	(5,207)	(2,986)	-	120,196

Social Work Fund represents sums already expended on the properties used by The Salvation Army in its social work throughout the United Kingdom.

Other Restricted Funds represents unexpended balances of donations and legacies held on trusts which can only be expended in accordance with the specific terms laid down by the donors.

31 March 2020

GROUP	Balance 1 April 2019 As restated £000	Income and Movement in Market Value of Investments £000	Expenditure £000	Transfers From/(to) Unrestricted Reserves £000	Transfers between Restricted Funds £000	Balance 31 March 2020 £000
Social Work Fund	64,808	3	(1,916)	12,729	-	75,624
Other Restricted Funds						
Social Work projects including property funding	46,408	6,031	(13,505)	639	-	39,573
saha operations - property purposes	123,165	27,372	(25,583)	-	-	124,954
	169,573	33,403	(39,088)	639	-	164,527
	234,381	33,406	(41,004)	13,368	-	240,151

31 March 2020

PARENT

	Balance 1 April 2019 £000	Income and Movement in Market Value of Investments £000	Expenditure £000	Transfers From/(to) Unrestricted Reserves £000	Transfers between Restricted Funds £000	Balance 31 March 2020 £000
Social Work Fund						
Funding of properties for charitable purposes	64,808	3	(1,916)	12,729	-	75,624
Other Restricted Funds						
Social Work projects including property funding	46,408	6,031	(13,505)	639	-	39,573
	111,216	6,034	(15,421)	13,368	-	115,197

22. UNRESTRICTED FUNDS

GROUP AND PARENT

	Balance 1 April 2020 £000	Income and Movement in Market Value of Investments £000	Expenditure £000	Transfers From/(to) Restricted Reserves £000	Transfers between Unrestricted Funds £000	Balance 31 March 2021 £000
General Reserves	8,197	135,692	(135,011)	3,986	-	12,864
Unrealised Investment Gains	44,087	20,729	-	-	-	64,816
	52,284	156,421	(135,011)	3,986	-	77,680
Designated Reserves						
Property Purposes	9,631	657	-	(1,000)	-	9,288
Vehicles	1,468	4	-	-	-	1,472
Social Work projects	1,551	-	(131)	-	-	1,420
	12,650	661	(131)	(1,000)	-	12,180
	64,934	157,082	(135,142)	2,986	-	89,860

The General Reserve is required to fund the day-to-day needs of The Salvation Army Social Work Trust. Unrestricted Funds include designated reserves which have been set aside by the Trustee for specific purposes.

31 March 2020

GROUP AND PARENT

	Balance 1 April 2019 £000	Income and Movement in Market Value of Investments £000	Expenditure £000	Transfers From/(to) Restricted Reserves £000	Transfers between Unrestricted Funds £000	Balance 31 March 2020 £000
General Reserves	10,125	127,851	(125,889)	(3,890)	-	8,197
Unrealised Investment Gains	51,440	(7,353)	-	-	-	44,087
	61,565	120,498	(125,889)	(3,890)	-	52,284
Designated Reserves						
Property Purposes	18,759	-	(138)	(8,990)	-	9,631
Vehicles	1,954	2	-	(488)	-	1,468
Social Work projects	1,551	-	-	-	-	1,551
	22,264	2	(138)	(9,478)	-	12,650
	83,829	120,500	(126,027)	(13,368)	-	64,934

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP	Endowment Funds £000	Social Work Fund £000	Other Restricted Funds £000	Unrestricted Reserves £000	Total £000
Fixed Assets					
Properties	-	76,422	119,055	-	195,477
Property schemes in progress	-	-	4,671	-	4,671
Motor vehicles and equipment	-	-	34	205	239
Investments	15,838	-	29,051	108,076	152,965
Current Assets less Liabilities	-	-	14,733	(18,421)	(3,688)
Total Net Assets	15,838	76,422	167,544	89,860	349,664
PARENT	Endowment Funds £000	Social Work Fund £000	Other Restricted Funds £000	Unrestricted Reserves £000	Total £000
Fixed Assets					
Properties	-	76,422	-	-	76,422
Property schemes in progress	-	-	4,370	-	4,370
Motor vehicles and equipment	-	-	-	205	205
Investments	15,838	-	-	108,076	123,914
Net Current Assets	-	-	39,404	(18,421)	20,983
Total Net Assets	15,838	76,422	43,774	89,860	225,894

31 March 2020

GROUP

	Endowment Funds	Social Work Fund	Other Restricted Funds	Unrestricted Reserves	Total
	£000	£000	£000	£000	£000
Fixed Assets					
Properties	-	75,624	123,309	-	198,933
Property schemes in progress	-	-	2,457	-	2,457
Motor vehicles and equipment	-	-	594	138	732
Investments	12,713	-	31,681	84,645	129,039
Current Assets less Liabilities	-	-	6,486	(19,849)	(13,363)
Total Net Assets	12,713	75,624	164,527	64,934	317,798

PARENT

	Endowment Funds	Social Work Fund	Other Restricted Funds	Unrestricted Reserves	Total
	£000	£000	£000	£000	£000
Fixed Assets					
Properties	-	75,624	-	-	75,624
Property schemes in progress	-	-	2,159	-	2,159
Motor vehicles and equipment	-	-	-	138	138
Investments	12,713	-	1,681	84,645	99,039
Net Current Assets	-	-	35,733	(19,849)	15,884
Total Net Assets	12,713	75,624	39,573	64,934	192,844

24. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2021 £000	2020 £000
Net income/(expenditure)	31,866	(14,229)
Unrealised loss/(gain) on investments	(23,926)	7,628
Realised (gain) on disposal of properties	(160)	(3)
Depreciation of motor vehicles and equipment	239	697
Depreciation of properties	4,720	7,177
Investment and rental income	(1,496)	(2,741)
(Profit) on sale of motor vehicles	(4)	(2)
Increase in stocks	(25)	-
(Increase)/Decrease in debtors	3,161	1,086
Schemes in progress written off	95	3,953
Increase/(Decrease) in creditors	(1,999)	11,362
Increase/(Decrease) in Defined Benefit pension scheme liability	2,167	(3,026)
Interest payable	1,037	1,249
Net inflow/(outflow) from operating activities	15,675	13,151

25. CAPITAL COMMITMENTS

At the balance sheet date, commitments made by The Salvation Army Social Work Trust Group in relation to the construction or refurbishment of property amounted to £58k (2020: £2.951m).

26. RELATED PARTY TRANSACTIONS

During the current year grants totalling £16.0m (2020: £16.0m) were received from The Salvation Army Trust. An overhead recharge was charged from The Salvation Army Trust during the year, representing the Social Work Trust's share of central overhead costs which were incurred by The Salvation Army Trust. In addition, recharges were charged to The Salvation Army Social Work Trust for hire of rooms at corps premises.

27. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY FOR THE YEAR ENDED 31 MARCH 2020

	Endowments £000	Restricted Restated £000	Unrestricted £000	2020 Total £000
INCOME AND ENDOWMENTS FROM:				
Donations and Legacies				
Grants receivable: TSA Trust	-	-	16,000	16,000
Donations	-	550	1,894	2,444
Legacies	-	925	93	1,018
	-	1,475	17,987	19,462
Charitable Activities				
Centres' operations	-	4,141	71,546	75,687
Other social operations	-	1	36,166	36,167
Housing Association turnover	-	26,368	-	26,368
	-	30,510	107,712	138,222
Investments	-	589	2,152	2,741
Other				
Gains on disposal of fixed assets	-	3	2	5
TOTAL INCOME	-	32,577	127,853	160,430
EXPENDITURE ON:				
Raising Funds				
Investment management costs	-	-	50	50
	-		50	50
Charitable Activities				
Centres' operations	-	15,064	85,698	100,762
Other social operations	-	357	40,279	40,636
Housing Association operating costs	-	28,203	-	28,203
	-	43,624	125,977	169,601
TOTAL EXPENDITURE	-	43,624	126,027	169,651
Net Gains on Investments	(1,104)	829	(7,353)	(7,628)
NET EXPENDITURE	(1,104)	(10,218)	(5,527)	(16,849)
Transfers between Funds	-	13,368	(13,368)	-
Actuarial Gains/(Losses) on Defined Benefit Pension Schemes	-	2,620	-	2,620
NET MOVEMENT IN FUNDS	(1,104)	5,770	(18,895)	(14,229)
RECONCILIATION OF FUNDS:				
Total Funds brought forward (as restated)	13,817	234,381	83,829	332,027
TOTAL FUNDS CARRIED FORWARD	12,713	240,151	64,934	317,798



Charity Registration No: 215174 Scottish Charity Registration No: SC037691

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