

**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**

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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.

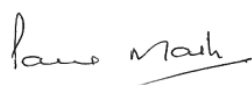
One of our favourite Bible verses is in the Old Testament book of Micah:

‘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 actively 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.

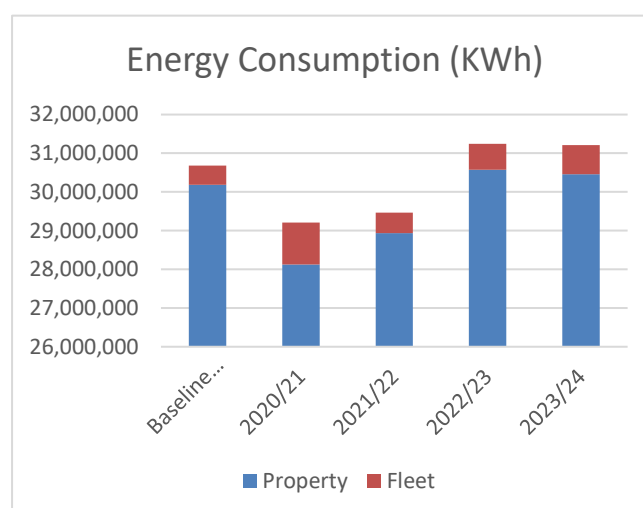
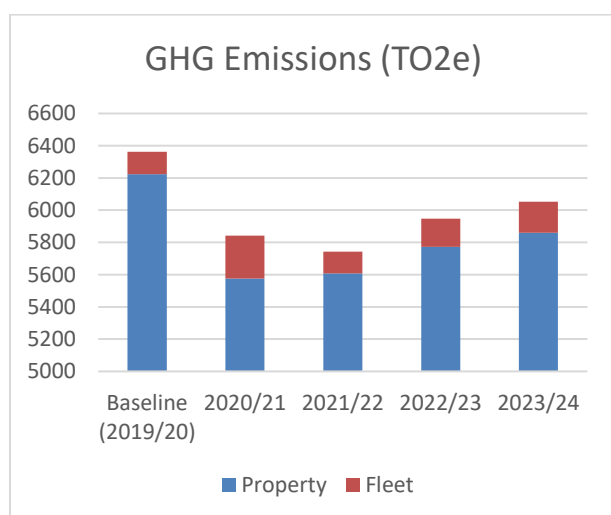
We have also calculated our wider indirect carbon footprint and set a target to reduce those emissions to net zero by 2040. Further details are included in our Net Zero Strategy 2040.

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.
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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

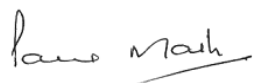
	Note	Group		Parent	
		2024	2023	2024	2023
		£000	Restated £000	£000	Restated £000
FIXED ASSETS					
Tangible Fixed Assets					
Properties	13	183,728	182,450	66,835	66,700
Property schemes in progress	14	1,520	2,682	1,443	2,605
Motor vehicles and equipment	15	1,441	968	88	164
Investments	16	199,321	179,190	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.

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
	40,509	2,377	8,075	13,641	6,285	483	71,370	60,973
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
	20,593	2,264	10,097	4,619	4,253	178	42,004	43,224
Social Enterprise	321	233	81	257	122	-	1,014	1,131
Total Costs 2024	61,423	4,874	18,253	18,517	10,660	661	114,388	105,328
Total Costs 2023	56,216	4,560	15,939	19,048	9,398	167		105,328

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>	(26,305)	<u>(19)</u>	(24,040)
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	Motor Vehicles £000	Equipment £000	Total £000
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 £000	2023 £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